

HOUSE JOURNAL

SEVENTY-NINTH LEGISLATURE, SECOND CALLED SESSION

PROCEEDINGS

THIRD DAY — TUESDAY, JULY 26, 2005

The house met at 11 a.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 8).

Present — Mr. Speaker; Allen, A.; Allen, R.; Alonzo; Anchia; Anderson; Bailey; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Casteel; Castro; Chavez; Chisum; Coleman; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Elkins; Escobar; Farabee; Farrar; Flores; Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goolsby; Griggs; Grusendorf; Guillen; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hegar; Herrero; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hughes; Hunter; Hupp; Isett; Jackson; Jones, D.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King, P.; King, T.; Kolkhorst; Krusee; Kuempel; Laney; Laubenberg; Leibowitz; Luna; Madden; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miller; Moreno, P.; Morrison; Mowery; Naishtat; Nixon; Noriega, M.; Oliveira; Olivo; Orr; Otto; Paxton; Peña; Phillips; Pickett; Pitts; Puente; Quintanilla; Raymond; Riddle; Ritter; Rodriguez; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solis; Solomons; Strama; Straus; Swinford; Talton; Taylor; Thompson; Truitt; Turner; Uresti; Van Arsdale; Veasey; Villarreal; Vo; West; Wong; Woolley; Zedler.

Absent — Goodman; Hartnett; Reyna.

The invocation was offered by Ryan Rush, senior pastor, Bannochburn Church, Austin, as follows:

Lord, give the men and women in this room backbones of courage, heads of wisdom, and hearts of compassion. In Jesus' name. Amen.

The speaker recognized Representative Keel who led the house in the pledges of allegiance to the United States and Texas flags.

HR 19 - ADOPTED (by Goolsby)

Representative Goolsby moved to suspend all necessary rules to take up and consider at this time **HR 19**.

The motion prevailed.

The following resolution was laid before the house:

HR 19, Congratulating Jack and Sharon Smith of Dallas on their golden wedding anniversary.

HR 19 was adopted.

HR 18 - ADOPTED
(by McCall)

Representative McCall moved to suspend all necessary rules to take up and consider at this time **HR 18**.

The motion prevailed.

The following resolution was laid before the house:

HR 18, Honoring entertainer Carol Channing on the occasion of her visit to the Texas Capitol.

HR 18 was read and was adopted.

On motion of Representative Dutton, the names of all the members of the house were added to **HR 18** as signers thereof.

INTRODUCTION OF GUEST

The speaker recognized Representative McCall who introduced Carol Channing. Ms. Channing sang "Hello Dolly" and briefly addressed the house.

BILLS AND JOINT RESOLUTIONS ON FIRST READING
AND REFERRAL TO COMMITTEES
RESOLUTIONS REFERRED TO COMMITTEES

Bills and joint resolutions were at this time laid before the house, read first time, and referred to committees. Resolutions were at this time laid before the house and referred to committees. (See the addendum to the daily journal, Referred to Committees, List No. 1.)

(Hartnett and Reyna now present)

HOUSE AT EASE

At 12:17 p.m., the speaker announced that the house would stand at ease until 12:45 p.m. today.

The speaker called the house to order at 12:45 p.m.

POSTPONED BUSINESS

The following bills were laid before the house as postponed business:

HB 13 ON SECOND READING
(by P. King)

HB 13, A bill to be entitled An Act relating to furthering competition in the communications industry.

HB 13 was read second time on July 25 and was postponed until 9 a.m. today.

Representative P. King moved to postpone consideration of **HB 13** until 9 a.m. tomorrow.

The motion prevailed.

**EMERGENCY CALENDAR
HOUSE BILLS
SECOND READING**

The following bills were laid before the house and read second time:

(Keel in the chair)

**CSHB 2 ON SECOND READING
(by Grusendorf)**

CSHB 2, A bill to be entitled An Act relating to public education and public school finance matters; imposing criminal penalties.

(Goodman now present)

(Speaker in the chair)

CSHB 2 - STATEMENT OF LEGISLATIVE INTENT

REPRESENTATIVE TRUITT: I just have one question. The first couple of pages in **HB 2** refer to a budgetary addition for the school districts based on the number of full-time teachers, counselors, librarians, and nurses they employ?

REPRESENTATIVE GRUSENDORF: Right.

TRUITT: There has been some—

GRUSENDORF: We are guaranteeing every school district will get those additional funds since we are mandating to them. It goes back to Sylvester Turner's question—since we are mandating they have that \$2,000 pay increase, we want to make sure that every school district gets that \$2,000 in addition to what they currently have.

TRUITT: I believe I understand your intent, but I want to—there has been some confusion about your intent in that section of the bill. My question seeks to clarify your intent, and eliminate that confusion. On page 1, Section 42.2518 of the bill, is the amount calculated as a result of the language in subparagraph 1 additive of the districts' existing M and O budget for the '05-'06 under current law, or is it additive to their prior budget for '04-'05?

GRUSENDORF: I believe it is '05-'06, is it not, the way it is drafted?

TRUITT: I am just trying to clarify that it is additive to the '05-'06 budget.

GRUSENDORF: Right—right, it is.

REMARKS ORDERED PRINTED

Representative Truitt moved to print remarks between Representative Grusendorf and Representative Truitt.

The motion prevailed.

CSHB 2 - MOTION FOR PREVIOUS QUESTION

Representative Keel moved the previous question on passage to engrossment of **CSHB 2**.

The motion was seconded by Harper-Brown, Denny, Nixon, Talton, Madden, Woolley, Riddle, Hope, Branch, Flynn, Zedler, Wong, Hamric, Keel, P. King, Eissler, Dawson, Laubenberg, Miller, Callegari, Morrison, Crownover, W. Smith, Seaman, Baxter, Corte, and Mowery.

Representative Gallego moved to print the names of those seconding the motion for the previous question in the journal.

A record vote was requested.

The motion to print the names prevailed by (Record 9): 99 Yeas, 38 Nays, 2 Present, not voting.

Yeas — Allen, A.; Allen, R.; Alonzo; Anchia; Bailey; Baxter; Brown, B.; Brown, F.; Burnam; Campbell; Casteel; Castro; Chavez; Coleman; Cook, B.; Cook, R.; Corte; Davis, Y.; Delisi; Denny; Deshotel; Driver; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flynn; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Goolsby; Griggs; Grusendorf; Guillen; Haggerty; Hamilton; Harper-Brown; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, J.; Keel; King, P.; Krusee; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Miller; Moreno, P.; Morrison; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Ritter; Rodriguez; Rose; Smith, T.; Smithee; Solis; Solomons; Strama; Straus; Thompson; Truitt; Turner; Uresti; Veasey; Villarreal; Vo; West; Wong.

Nays — Berman; Blake; Bohac; Bonnen; Callegari; Chisum; Crabb; Crownover; Davis, J.; Dawson; Eissler; Gattis; Hamric; Hartnett; Hill; Hope; Howard; Hupp; Isett; Jackson; Keffer, B.; Keffer, J.; Kuempel; Laubenberg; Madden; Nixon; Orr; Paxton; Pitts; Riddle; Seaman; Smith, W.; Swinford; Talton; Taylor; Van Arsdale; Woolley; Zedler.

Present, not voting — Mr. Speaker(C); Otto.

Absent — Anderson; Branch; Elkins; Flores; Hardcastle; Hegar; Hughes; King, T.; Kolkhorst; Mowery.

STATEMENTS OF VOTE

When Record No. 9 was taken, I was in the house but away from my desk. I would have voted yes.

Anderson

When Record No. 9 was taken, I was in the house but away from my desk. I would have voted yes.

Branch

I was shown voting no on Record No. 9. I intended to vote yes.

Crabb

I was shown voting no on Record No. 9. I intended to vote yes.

Eissler

When Record No. 9 was taken, I was in the house but away from my desk. I would have voted no.

Flores

I was shown voting no on Record No. 9. I intended to vote yes.

J. Keffer

I was shown voting no on Record No. 9. I intended to vote yes.

Kuempel

I was shown voting no on Record No. 9. I intended to vote yes.

Nixon

I was shown voting no on Record No. 9. I intended to vote yes.

Riddle

I was shown voting no on Record No. 9. I intended to vote yes.

Woolley

**ADDRESS BY REPRESENTATIVE P. MORENO
ON A MATTER OF PERSONAL PRIVILEGE**

The chair recognized Representative P. Moreno who addressed the house on a matter of personal privilege.

**ADDRESS BY REPRESENTATIVE URESTI
ON A MATTER OF PERSONAL PRIVILEGE**

The chair recognized Representative Uresti who addressed the house on a matter of personal privilege.

A record vote was requested.

The motion for the previous question was lost by (Record 10): 63 Yeas, 80 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Callegari; Chisum; Cook, B.; Corte; Crabb; Crownover; Dawson; Delisi; Denny; Driver; Eissler; Elkins; Flynn; Goolsby; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Riddle; Seaman; Smith, W.; Smithee; Swinford; Talton; Taylor; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Alonzo; Anchia; Bailey; Brown, B.; Brown, F.; Burnam; Campbell; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, J.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Tourelles; Griggs; Guillen; Haggerty; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Pitts; Puente; Quintanilla; Raymond; Reyna; Ritter; Rodriguez; Rose; Smith, T.; Solis; Solomons; Strama; Thompson; Turner; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent — Allen, A.; Goodman; Hughes; Jones, J.; Straus.

STATEMENTS OF VOTE

When Record No. 10 was taken, my vote failed to register. I would have voted no.

A. Allen

When Record No. 10 was taken, I was temporarily out of the house chamber. I would have voted no.

Straus

PARLIAMENTARY INQUIRY

REPRESENTATIVE P. MORENO: Did you rule—was the question asked of the speaker regarding a parliamentary, I mean a speech on personal privilege? Was that a question asked to you?

MR. SPEAKER: Mr. Moreno, I am sorry, I don't understand the questions.

P. MORENO: Was your answer that a point of personal privilege can be outside the limits of anything pending in this house?

MR. SPEAKER: The rules, it's all spelled out in the rules for a point of personal privilege, Mr. Moreno. We can't debate the merits of a motion if that is what you are asking.

P. MORENO: Mr. Speaker, with all due respect, you have just completely violated the rules of the house.

REMARKS ORDERED PRINTED

Representative P. Moreno moved to print the parliamentary inquiry between Speaker Craddick and Representative P. Moreno.

The motion prevailed.

(Van Arsdale in the chair)

Amendment No. 1

Representative Hochberg offered the following amendment to **CSHB 2**:
Floor Packet Page No. 10

Amend **CSHB 2** as follows:

(1) Strike Article 1, Part A and Part B (and re-letter the subsequent parts appropriately) and substitute the following:

"PART A. EDUCATION FUNDING

SECTION 1A.01. Section 42.005(a), Education Code, is amended to read as follows:

(a) In this chapter, average daily attendance is:

(1) the quotient of the sum of attendance for each day of the minimum number of days of instruction as described under Section 25.081(a) divided by the minimum number of days of instruction; ~~or~~

(2) for a district that operates under a flexible year program under Section 29.0821, the quotient of the sum of attendance for each actual day of instruction as permitted by Section 29.0821(b)(1) divided by the number of actual days of instruction as permitted by Section 29.0821(b)(1); or

(3) for a district that operates under a flexible school day program under Section 29.0822, the average daily attendance as calculated by the commissioner in accordance with Section 29.0822(d).

SECTION 1A.02. Effective September 1, 2005, Section 42.101, Subchapter B, Chapter 42, Education Code is amended to read as follows:

Sec. 42.101. BASIC ALLOTMENT. For each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment of \$2,720 ~~[\$2,537]~~. A greater amount for any school year may be provided by appropriation.

SECTION 1A.03. Effective September 1, 2006, Section 42.101, Subchapter B, Chapter 42, Education Code is amended to read as follows:

Sec. 42.101. BASIC ALLOTMENT. For each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to an allotment of \$3,075 ~~[\$2,537]~~. A greater amount for any school year may be provided by appropriation.

SECTION 1A.04. Section 42.102, Subchapter B, Chapter 42, Education Code is amended by amending Subsection (b) and by adding Subsections (b-1), (b-2), (c), (c-1) and (c-2) to read as follows:

(b) The Legislative Budget Board shall adopt a cost of education index based on a statistical analysis conducted on a revenue neutral basis that is designed to isolate the independent effects of uncontrollable factors on the compensation that school districts must pay, including teacher salaries and other benefits. The analysis must include, at a minimum, variations in teacher characteristics, teacher work environments, and the economic and social conditions of the communities in which teachers reside
~~[The cost of education adjustment is the cost of education index adjustment~~

~~adopted by the foundation school fund budget committee and contained in Chapter 203, Title 19, Texas Administrative Code, as that chapter existed on March 26, 1997].~~

(b-1) In this subsection, "teacher fixed effects index" means the teacher fixed effects index in the 2004 report commissioned by the Joint Select Committee on Public School Finance of the 78th Legislature. Notwithstanding Subsection (a), the cost of education index for purposes of that subsection for the following school years is determined using the teacher fixed effects index in the following manner:

(1) for the 2006-2007 school year, the index shall be computed giving a weight of 25 percent to the teacher fixed effects index and a weight of 75 percent to the index used to determine a school district's adjustment for the 2005-2006 school year;

(2) for the 2007-2008 school year, the index shall be computed giving a weight of 50 percent to the teacher fixed effects index and a weight of 50 percent to the index used to determine a school district's adjustment for the 2005-2006 school year;

(3) for the 2008-2009 school year, the index shall be computed giving a weight of 75 percent to the teacher fixed effects index and a weight of 25 percent to the index used to determine a school district's adjustment for the 2005-2006 school year; and

(4) for the 2009-2010 and 2010-2011 school years, the cost of education index for purposes of Subsection (a) is the teacher fixed effects index.

(b-2) All information relating to the computation and adoption of the cost of education index under this section, including underlying data, assumptions, and computations used in the development of the index, is public information.

(c) The Legislative Budget Board shall biennially update the cost of education index required by this section. The Legislative Budget Board shall submit the updated index to the legislature not later than December 1 of each even-numbered year.

(c-1) The Legislative Budget Board shall submit the initial update required by Subsection (c) not later than December 1, 2010.

(c-2) Subsections (b-1) and (c-1) and this subsection expire September 1, 2011.

SECTION 1A.05. Effective September 1, 2005, Section 42.152, Subchapter C, Chapter 42, Education Code is amended by amending Subsection (a) to read as follows:

(a) For each student who is educationally disadvantaged or who is a student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.225 ~~[0.2]~~, and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant.

SECTION 1A.06. Effective September 1, 2006, Section 42.152, Subchapter C, Chapter 42, Education Code is amended by amending Subsections (a) to read as follows:

(a) For each student who is educationally disadvantaged or who is a student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.25 [0.2], and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant.

SECTION 1A.07 Section 42.152, Subchapter C, Chapter 42, Education Code is amended by amending Subsection (t) and adding Subsection (c-2) to read as follows:

(c-2) Notwithstanding Subsection (c), a school district may use funds allocated under this section to provide Saturday classes for third grade students who fail to perform satisfactorily on an assessment instrument administered under Section 39.023.

(t) A reduction made under this section or the General Appropriations Act in the allotment under this section, including a reduction under Section 39.031(a), does not affect the computation of students in weighted average daily attendance for purposes of Subchapter F except that the reduction shall be applied in the same manner to districts that receive payments under Chapter 42 and districts that make payments under Chapter 41.

SECTION 1A.08. Section 42.153(a), Subchapter C, Chapter 42, Education Code is amended to read as follows:

(a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.15 [0.1].

SECTION 1A.09. Section 42.154(a), Subchapter C, Chapter 42, Education Code is amended to read as follows:

(a) For each full-time equivalent student in average daily attendance in an approved career and technology education program in grades ~~[nine through 12 or in career and technology education programs for students with disabilities in grades]~~ seven through 12, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.35.

SECTION 1A.10. Section 42.155, Subchapter C, Chapter 42, Education Code is amended by adding subsection (l) to read as follows:

(l) Beginning in the 2005-2006 school year, the allocation per mile of approved route shall be at least thirty-five percent higher than the allocation per mile for the 2004-2005 school year.

SECTION 1A.11. Subchapter C, Chapter 42, Education Code is amended by adding Section 42.159 to read as follows:

Sec. 42.159. INSTRUCTIONAL MATERIALS AND TECHNOLOGY ALLOTMENT. (a) For each student in average daily attendance, a school district is entitled to an annual allotment of \$70.

(b) Funds allotted under this section may be used only to purchase approved instructional materials, including online instructional materials.

(c) This section applies beginning with the 2006-2007 school year. This subsection expires September 1, 2007.

SECTION 1A.12. Effective September 1, 2005, Section 42.2512, Education Code, is amended to read as follows:

Sec. 42.2512. ADDITIONAL STATE AID FOR PROFESSIONAL STAFF SALARIES. (a) A school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount, as determined by the commissioner, equal to the difference, if any, between:

(1) an amount equal to the product of \$1,000 [~~\$3,000~~] multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402; and

(2) an amount equal to 80 percent of the amount of additional funds to which the district is entitled due to the increases made by HB 2, Acts of the 79th Legislature, Second Called Session, 2005 [~~SB 4, Acts of the 76th Legislature, Regular Session, 1999~~], to:

(A) the equalized wealth level under Section 41.002;

(B) the basic allotment under Section 42.101; and

(C) the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302.

SECTION 1A.13. Effective September 1, 2006, Section 42.2512, Education Code, is amended to read as follows:

Sec. 42.2512. ADDITIONAL STATE AID FOR PROFESSIONAL STAFF SALARIES. (a) A school district, including a school district that is otherwise ineligible for state aid under this chapter, is entitled to state aid in an amount, as determined by the commissioner, equal to the difference, if any, between:

(1) an amount equal to the product of \$2,000 [~~\$3,000~~] multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402; and

(2) an amount equal to 80 percent of the amount of additional funds to which the district is entitled due to the increases made by HB 2, Acts of the 79th Legislature, Second Called Session, 2005 [~~SB 4, Acts of the 76th Legislature, Regular Session, 1999~~], to:

(A) the equalized wealth level under Section 41.002;

(B) the basic allotment under Section 42.101;

and

(C) the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302.

SECTION 1A.14. Effective September 1, 2005, Subchapter E, Chapter 42, Education Code is amended by adding Section 42.2513 to read as follows:

Sec. 42.2513. ADDITIONAL TRANSITIONAL AID. (a) Notwithstanding any other provision of this chapter or Chapter 41, and provided that a school district imposes a tax of at least \$1.40 on the \$100 valuation of taxable property, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the sum of:

(1) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operation of the district to which the district would have been entitled for the 2005-2006 school year under Chapter 42, as that chapter existed on January 1, 2005, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2005, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2004-2005 school year and including any amounts described by Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); and

(2) an amount equal to two percent of the greater of the amounts described by Subdivision (1).

(b) The amount of revenue to which a school district is entitled because of the technology allotment under Section 32.005 or the instructional materials and technology allotment under Section 42.241 is not included in making a determination under Subsection (a).

(c) The commissioner shall determine the amount of state funds to which a school district is entitled under this section. The commissioner's determination is final and may not be appealed.

SECTION 1A.15. Effective September 1, 2006, Subchapter E, Chapter 42, Education Code is amended by adding Section 42.2513 to read as follows:

Sec. 42.2513. ADDITIONAL TRANSITIONAL AID. (a) Notwithstanding any other provision of this chapter or Chapter 41, and provided that a school district imposes a tax of at least \$1.30 on the \$100 valuation of taxable property, a school district is entitled to the amount of state revenue necessary to maintain state and local revenue per student in weighted average daily attendance in the amount equal to the sum of:

(1) the amount of state and local revenue per student in weighted average daily attendance for the maintenance and operation of the district to which the district would have been entitled for the 2006-2007 school year under Chapter 42, as that chapter existed on January 1, 2005, or, if the district would have been subject to Chapter 41, as that chapter existed on January 1, 2005, the amount to which the district would have been entitled under that chapter, based on the funding elements in effect for the 2004-2005 school year and including any amounts described by Rider 82, page III-23, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act); and

(2) an amount equal to four percent of the greater of the amounts described by Subdivision (1).

(b) The amount of revenue to which a school district is entitled because of the technology allotment under Section 32.005 or the instructional materials and technology allotment under Section 42.241 is not included in making a determination under Subsection (a).

(c) The commissioner shall determine the amount of state funds to which a school district is entitled under this section. The commissioner's determination is final and may not be appealed.

SECTION 1A.16. Section 42.302(a), Subchapter E, Chapter 42, Education Code is amended to read as follows:

(a) Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 42.303, is determined by the formula:

$$GYA = (GL \times WADA \times DTR \times 100) - LR$$

where:

"GYA" is the guaranteed yield amount of state funds to be allocated to the district;

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is the quotient of the basic allotment under Section 42.101 divided by 86 [~~and 50 percent of the adjustment under Section 42.102,~~] or a greater amount for any year provided by appropriation;

"WADA" is the number of students in weighted average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters B and C, less any allotment to the district for transportation and [7] any allotment under Section 42.158, [~~and 50 percent of the adjustment under Section 42.102,~~] by the basic allotment for the applicable year;

"DTR" is the district enrichment tax rate of the school district, which is determined by subtracting the amounts specified by Subsection (b) from the total amount of maintenance and operations taxes collected by the school district for the applicable school year and dividing the difference by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100; and

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100.

SECTION 1A.17. Section 41.002, Chapter 41, Education Code is amended to read as follows:

Sec. 41.002. EQUALIZED WEALTH LEVEL. [~~(a)~~] A school district may not have a wealth per student that exceeds the wealth per student that produces the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302 [~~\$305,000~~].

SECTION 1A.18. Section 26.08, Tax Code, is amended by adding Subsections (a-1)-(a-6) and amending Subsections (i) and (k) to read as follows:

(a-1) Except as provided by Subsection (a-2), for the 2005 tax year, a school district may not impose a tax for the maintenance and operations of the district that exceeds the greater of:

(1) the rate equal to 140/150 of the rate adopted by the district for maintenance and operations for the 2004 tax year; or

(2) the rate necessary to ensure that the district receives the amount of revenue described by Sections 42.2513(a)(1) and (2), Education Code, provided that the rate may not exceed \$1.40 on the \$100 valuation of taxable property.

(a-2) Notwithstanding any other provision of law, for the 2005 tax year a school district permitted by special law on January 1, 2005, to impose an ad valorem tax for maintenance and operations at a rate greater than \$1.50 on the \$100 valuation of taxable property in the district may continue to impose a tax for the maintenance and operations of the district at a rate not to exceed the rate that is \$0.10 less than the rate adopted by the district for maintenance and operations for the 2004 tax year.

(a-3) Subsections (a-1), (a-2), and this subsection expire January 1, 2006.

(a-4) Except as provided by Subsection (a-2), for the 2006 tax year, a school district may not impose a tax for the maintenance and operations of the district that exceeds the greater of:

(1) the rate equal to 130/150 of the rate adopted by the district for maintenance and operations for the 2004 tax year; or

(2) the rate necessary to ensure that the district receives the amount of revenue described by Sections 42.2513(a)(1) and (2), Education Code, provided that the rate may not exceed \$1.30 on the \$100 valuation of taxable property;

(a-5) Notwithstanding any other provision of law, for the 2005 tax year a school district permitted by special law on January 1, 2005, to impose an ad valorem tax for maintenance and operations at a rate greater than \$1.50 on the \$100 valuation of taxable property in the district may continue to impose a tax for the maintenance and operations of the district at a rate not to exceed the rate that is \$0.20 less than the rate adopted by the district for maintenance and operations for the 2004 tax year.

(a-6) Subsections (a-4), (a-5), and this subsection expire January 1, 2007.

(i) For purposes of this section, the rollback tax rate of a school district is the sum of:

(1) the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42 and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year;

(2) the rate of ~~\$0.04~~ ~~[\$0.06]~~ per \$100 of taxable value; and

(3) the district's current debt rate.

(k) For purposes of this section, for the ~~[2003, 2004,]~~ 2005, 2006, 2007, or 2008 tax year, for a school district that is entitled to state funds under Section 4(a-1), (a-2), (a-3), (a-4), (a-5), or (a-6), Article 3.50-9, Insurance Code, the rollback tax rate of the district is the sum of:

(1) the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42 and maintenance and

operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year;

(2) the tax rate that, applied to the current total value for the district, would impose taxes in the amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, permits the district to comply with Section 3, Article 3.50-9, Insurance Code;

(3) the rate of \$0.04 [~~\$0.06~~] per \$100 of taxable value; and

(4) the district's current debt rate.

SECTION 1A.19. Section 311.013, Tax Code, is amended by adding Subsection (l) to read as follows:

(l) This subsection applies only to a reinvestment zone created before September 1, 1999, for which a school district entered into an agreement before that date to pay a portion of the tax increment produced by the school district into the tax increment fund established for the zone. In addition to the amount the school district is otherwise required to pay into the tax increment fund each year, the comptroller shall pay into the fund from any available source an additional amount. The additional amount is the amount by which the amount the district would have been required to pay into the fund for the current year under the agreement if the district levied taxes at the district's 2004 tax rate exceeds the amount the district is otherwise required to pay into the fund for the current year. This subsection ceases to apply to the reinvestment zone on the later of the dates specified by Sections 311.017(a)(1) and (2) for the reinvestment zone.

SECTION 1A.20. Subchapter H, Chapter 45, Education Code, is amended by adding Section 45.233 to read as follows:

Sec. 45.233. REVIEW OF TAX COLLECTIONS. The comptroller shall periodically examine the effectiveness of school districts in collecting district taxes.

(2) Strike SECTION 2A.11, on pages 91-94, and substitute the following:

SECTION 2A.11. Section 21.402, Education Code, is amended by amending Subsections (a) and (d) and adding Subsections (c-1), (c-2), (c-3), (e) and (f) to read as follows:

(a) Except as provided by Subsection (d), (e), or (f), a school district must pay each classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse not less than the minimum monthly salary, based on the employee's level of experience, determined by the following formula:

$$MS = SF \times FS$$

where:

"MS" is the minimum monthly salary;

"SF" is the applicable salary factor specified by Subsection (c); and

"FS" is the amount, as determined by the commissioner under Subsection (b), of state and local funds per weighted student available to a district eligible to receive state assistance under Section 42.302 with an enrichment tax rate, as

defined by Section 42.302, equal to the maximum rate authorized under Section 42.303, except that the amount of state and local funds per weighted student does not include the amount attributable to the increase in the guaranteed level made by **HB 3343**, Acts of the 77th Legislature, Regular Session, 2001 or by **HB 2**, Acts of the 79th Legislature, Second Called Session, 2005.

(c-1) Notwithstanding Subsection (a), for the 2005-2006 school year, a classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse is entitled to a monthly salary that is at least equal to the sum of:

(1) the monthly salary the employee would have received for the 2005-2006 school year under the district's salary schedule or other compensation system, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2005-2006 school year; and

(2) \$80.

(c-2) Notwithstanding Subsection (a), for the 2006-2007 school year, a classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse is entitled to a monthly salary that is at least equal to the sum of:

(1) the monthly salary the employee would have received for the 2006-2007 school year under the district's salary schedule or other compensation system, including any local supplement and any money representing a career ladder supplement the employee would have received in the 2006-2007 school year; and

(2) \$170.

(c-3) Subsections (c-1) and (c-2) and this subsection expire September 1, 2006.

(d) A classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse employed by a school district in the 2006-2007 [~~2000-2001~~] school year is, as long as the employee is employed by the same district, entitled to a salary that is at least equal to the salary the employee received for the 2006-2007 [~~2000-2001~~] school year.

(e-1) For the 2005-2006 school year, in addition the amounts specified in (c-1), each school district shall spend an amount equal to the product of \$200 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402 on:

(1) additional across the board salary increases for all employees subject to the minimum salary schedule; or

(2) additional stipends, in amounts determined by the district, to encourage successful classroom teachers who hold appropriate certificates issued as provided by Subchapter B and have at least three years of classroom experience to:

(A) teach or serve as a mentor or master teacher at a campus that is considered low-performing under Section 39.132;

(B) teach or serve as a mentor or master teacher at a campus or in a program where at least 70 percent of the students are educationally disadvantaged;

(C) serve as a mentor or master teacher in a subject for which they are certified and which is designated by the Commissioner as a critical shortage area; or

(D) teach or serve in a program that is designed to provide highly qualified teachers to students that are at risk of failing or dropping out.

(e-2) Beginning with the 2006-2007 school year, in addition to the amounts specified in (c-2), each school district shall spend an amount equal to the product of \$300 multiplied by the number of classroom teachers, full-time librarians, full-time counselors certified under Subchapter B, Chapter 21, and full-time school nurses employed by the district and entitled to a minimum salary under Section 21.402 on:

(1) additional across the board salary increases for all employees subject to the minimum salary schedule; or

(2) additional stipends, in amounts determined by the district, to encourage successful classroom teachers who hold appropriate certificates issued as provided by Subchapter B and have at least three years of classroom experience to:

(A) teach or serve as a mentor or master teacher at a campus that is considered low-performing under Section 39.132;

(B) teach or serve as a mentor or master teacher at a campus or in a program where at least 70 percent of the students are educationally disadvantaged;

(C) serve as a mentor or master teacher in a subject for which they are certified and which is designated by the Commissioner as a critical shortage area; or

(D) teach or serve in a program that is designed to provide highly qualified teachers to students that are at risk of failing or dropping out.

(f) No later than June 1, 2007, the commissioner shall adjust the factors in Subsection (a) above such that the minimum monthly salary calculated under Subsection (a) is \$170 greater than the minimum monthly salary the formula would have generated.

(3) On page 453, line 5, strike "21.402(b) and (e),"

(4) On page 453, strike lines 7-9 and replace with "Education Code."

(5) On page 453, in Section 8.03, strike parts (1), (2), (5) and (6) and renumber the remaining parts accordingly.

(6) On page 453, in Section 8.03, Part (3), strike "41.001, 41.002, 41.003, 41.0031, 41.007, 41.009(b), 41.011, 41.092, 41.099, 41.252(b),"

(7) To the extent that this amendment creates a cost which is not offset by an equal dollar reduction in the cost of **HB 2**, the Legislative Budget Board is directed to modify the property tax rate limitations and corresponding increase of school finance elements in order to maintain the current cost of **HB 2**.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today to attend a funeral:

Hughes on motion of Paxton.

CSHB 2 - (consideration continued)

(Nixon in the chair)

Representative Grusendorf moved to table Amendment No. 1.

(Speaker in the chair)

A record vote was requested.

The vote of the house was taken on the motion to table Amendment No. 1 and the vote was announced yeas 71, nays 76.

A verification of the vote was requested and was granted.

The roll of those voting yea and nay was again called and the verified vote resulted, as follows (Record 11): 68 Yeas, 76 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Eissler; Flynn; Gattis; Goolsby; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hill; Hope; Howard; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Reyna; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Brown, F.; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Guillen; Haggerty; Hamilton; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Pitts; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Hughes.

Absent — Driver; Elkins; Taylor.

The speaker stated that the motion to table was lost by the above vote.

LEAVES OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of personal business:

Driver on motion of Krusee.

The following members were granted leaves of absence for the remainder of today because of important business:

Elkins on motion of Kuempel.

Taylor on motion of Crownover.

CSHB 2 - (consideration continued)

A record vote was requested.

Amendment No. 1 was adopted by (Record 12): 76 Yeas, 67 Nays, 1 Present, not voting.

Yeas — Allen, A.; Alonzo; Anchia; Bailey; Brown, F.; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Goolsby; Griggs; Guillen; Haggerty; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, J.; King, T.; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Pickett; Pitts; Puente; Quintanilla; Raymond; Reyna; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Nays — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Callegari; Campbell; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Eissler; Flynn; Gattis; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hill; Hope; Howard; Hupp; Isett; Jackson; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Phillips; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Hilderbran.

STATEMENTS OF VOTE

When Record No. 12 was taken, my vote failed to register. I would have voted yes.

Hilderbran

I was shown voting no on Record No. 12. I intended to vote yes.

Seaman

Amendment No. 2

Representative Casteel offered the following amendment to **CSHB 2**:
Floor Packet Page No. 58

Amend **CSHB 2** as follows:

(1) Delete SECTION 2A.04 in its entirety, beginning on page 86, line 9, and continuing through page 87, line 13, and renumber subsequent sections of the bill accordingly.

(2) Amend SECTION 2F.01 as follows:

On page 255, line 20, strike the word "commissioner" and substitute the word "board"

On page 255, line 22, strike the word "commissioner" and substitute the word "board"

On page 255, line 26, strike the word "commissioner" and substitute the word "board"

On page 256, line 6, strike the word "commissioner" and substitute the word "board"

(3) Amend SECTION 2F.02 by striking lines 9-17 on page 257 and substituting the following text:

"(b) The board may not require more than 18 semester credit hours of education courses at the baccalaureate level for the granting of a teaching certificate. The board shall provide for a minimum number of semester credit hours of internship to be included in the hours needed for certification. The board may propose rules requiring additional credit hours for certification in bilingual education, dual language instruction, English as a second language, early childhood education, or special education."

(4) In SECTION 2F.05, amend page 258, line 11, by striking the word "commissioner" and substituting the word "board"

(5) Amend SECTION 2F.10, on page 266, line 15, by striking the words "commissioner of education" and substituting "State Board for Educator Certification"

(6) Amend SECTION 2J.02 on page 278 by striking lines 17-18 and substituting the following text:

"(c) The board shall propose a rule adopting a fee for:"

(7) Strike SECTION 2J.04 in its entirety, beginning on page 279, line 21, and continuing through page 280, line 5, and renumber subsequent sections of the bill accordingly.

(8) In SECTION 2J.05, amend page 280, line 14, by inserting the phrase "the State Board for Educator Certification" after the word "agency"

(9) Strike ARTICLE 7 of the bill in its entirety, beginning on page 413, line 10, and continuing through page 452, line 24, and substitute it with the following text:

"ARTICLE 7. STATE BOARD FOR EDUCATOR CERTIFICATION

SECTION 7.01. Section 21.035, Education Code, as amended by **HB 1116**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

Sec. 21.035. APPLICATION OF SUNSET ACT. The board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this subchapter expires September 1, 2007 [The Texas Education Agency shall provide the board's administrative functions and services].

SECTION 7.02. Subchapter B, Chapter 21, is amended by adding Section 21.039 to read as follows:

Sec. 21.039. EXECUTIVE DIRECTOR; PERSONNEL. The board shall employ an executive director. The executive director shall:

- (1) perform duties as assigned by the board or specified by law;
- (2) administer and enforce all laws and rules implemented by the board;
- (3) issue the certificates authorized under this subchapter; and
- (4) hire and dismiss the employees of the board."

Representative Branch moved to table Amendment No. 2.

A record vote was requested.

The motion to table was lost by (Record 13): 58 Yeas, 74 Nays, 1 Present, not voting.

Yeas — Allen, A.; Allen, R.; Anderson; Baxter; Berman; Bohac; Bonnen; Brown, B.; Callegari; Campbell; Corte; Crabb; Crownover; Davis, J.; Dawson; Denny; Eissler; Flynn; Gattis; Goodman; Goolsby; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Howard; Hupp; Isett; Jackson; Keel; Keffer, B.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Reyna; Seaman; Smith, W.; Smithee; Straus; Swinford; Talton; Truitt; Van Arsdale; Wong; Woolley; Zedler.

Nays — Alonzo; Anchia; Bailey; Brown, F.; Burnam; Casteel; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Griggs; Guillen; Haggerty; Hamilton; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Pitts; Puente; Quintanilla; Raymond; Riddle; Ritter; Rodriguez; Rose; Smith, T.; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo; West.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Blake; Branch; Chisum; Cook, B.; Delisi; Eiland; Hegar; Hill; Hope; Jones, D.; Keffer, J.; Solomons.

STATEMENTS OF VOTE

When Record No. 13 was taken, I was in the house but away from my desk. I would have voted yes.

Branch

When Record No. 13 was taken, I was in the house but away from my desk. I would have voted no.

D. Jones

I was shown voting yes on Record No. 13. I intended to vote no.

Kuempel

When Record No. 13 was taken, I was in the house but away from my desk. I would have voted no.

Solomons

Amendment No. 2 was adopted.

Amendment No. 3

Representative Oliveira offered the following amendment to **CSHB 2**:
Floor Packet Page No. 60

Amend **CSHB 2** (House Committee Report, 1st Printing) as follows:

(1) Strike Section 2A.06, 2A.07, 2A.08, 2A.09, 2A.10, and 2A.19;

(2) Insert into Part A, Article 2, a new appropriately numbered section to read as follows, and renumbering subsequent sections accordingly:

SECTION 2A. ____ . Section 21.207(b), Education Code, is amended to read as follows:

(b) The hearing must be conducted in accordance with rules adopted by the board. If the proposed nonrenewal is for a necessary reduction in personnel due to a financial exigency or program change adopted by the board, the hearing may be conducted before a hearing examiner pursuant to rules adopted by the board, provided that the board is provided a transcript of the hearing and proposed findings of fact and conclusions of law before the board makes a final decision on the proposed nonrenewal. The board may use the process established in Subchapter F.

Amendment No. 3 was adopted.

Amendment No. 4

Representative McReynolds offered the following amendment to **CSHB 2**:
Floor Packet Page No. 61

Amend **CSHB 2** as follows:

Amend 2A.14, page 98, by striking lines 4 and 5 and replacing with "experience."

(Swinford in the chair)

Amendment No. 4 was withdrawn.

HOUSE AT EASE

At 3:38 p.m., the speaker announced that the house would stand at ease until 4 p.m. today.

The speaker called the house to order at 4 p.m.

Amendment No. 5

Representative Homer offered the following amendment to **CSHB 2**:

Floor Packet Page No. 63

Amend **CSHB 2** by Delisi by striking SECTION 2A.15 in its entirety, beginning on page 98, line 19, and continuing through page 101, line 9, and substituting it with the following text:

SECTION 2A.15. Subchapter H, Chapter 21, Education Code, is amended by adding Section 21.358 to read as follows:

Sec. 21.358. LEARNING ENHANCEMENT AWARD PROGRAM (LEAP) FOR PUBLIC SCHOOL EMPLOYEES. (a) The commissioner shall establish the Learning Enhancement Award Program to encourage school districts to reward those employees who make outstanding contributions at the local level to the enhancement of student learning. Each school district shall develop a local incentive plan for distributing incentive payments to qualifying employees under the Learning Enhancement Award Program and shall submit the plan to the commissioner for approval.

(b) A local incentive plan developed under this section shall include learning enhancement goals and priorities established annually by the school district through meetings and discussions with classroom teachers and administrators at each campus in the district. The local incentive plan shall delineate specific criteria for awarding incentive payments to campuses to distribute to employees and shall demonstrate the relationship between those criteria and each of the learning enhancement goals in the plan. The criteria for awarding incentive payments may include indicators of employee performance, such as teacher evaluations conducted by principals, peer reviews and objective measures of student achievement.

(c) The local incentive plan developed under this section must be approved by the district-level planning and decision-making committee, as well as the commissioner.

(d) Each year a school district shall use an amount equal to at least one percent of the district's total professional staff payroll to provide incentive payments to employees in accordance with this subchapter.

(e) Each school district shall use funds designated under subsection (d) to provide incentive payments to campuses and individual employees who have contributed to the advancement or fulfillment of the learning enhancement goals established by the district in its local incentive plan. The district-level planning and decision-making committee shall determine the appropriate distribution of funds under this section, in accordance with subsections (f) and (g) and the criteria established in the local incentive plan.

(f) At least 50% of the funds designated by a district under subsection (d) shall be used to pay incentives to employees in any of the following categories:

(1) Experienced teachers who are serving as trained mentors to beginning teachers in the same school district, in accordance with a state-approved mentoring program, such as the Texas Beginning Educator Support System (TxBESS);

(2) Teachers who are certified in and teaching in a curriculum subject area in which the district is experiencing a shortage of qualified teachers, as determined by the commissioner;

(3) Teachers who are assigned to teach full-time at a campus that is difficult to staff, as determined by the commissioner, including a rural or academically unacceptable campus; and

(4) Employees who, as determined by the district, have assisted a campus in overcoming an extraordinary or unexpected hardship that is believed to have detrimentally affected student learning at the campus.

(g) Not more than 50% of the funds designated by the district under subsection (d) may be used to pay incentives to each full-time classroom teacher whose students demonstrate outstanding achievements and/or improvements in scholarship, as delineated in criteria in the local incentive plan. The incentive payments must be distributed equally at the campus, department or grade level.

(h) Using funds appropriated for purposes of this section, the commissioner shall adopt rules necessary to implement this section. In adopting rules, the commissioner shall promote flexibility in the design of local incentive plans.

(i) The commissioner shall annually evaluate the effectiveness of the Learning Enhancement Award Program at each participating campus. The evaluation must consider:

(1) the performance of the district's students on assessment instruments administered under Section 39.023;

(2) the district's high school graduation and completion rates;

(3) the district's teacher attrition rates;

(4) the accountability ratings of the district; and

(5) the district's success in closing performance gaps between educationally disadvantaged students and other populations of students.

(j) A school district shall include the following information in employment contracts:

(1) that qualifying employees may qualify for and receive incentive payments under the Learning Enhancement Award Program (LEAP); and

(2) that incentive payments awarded under the Learning Enhancement Award Program (LEAP) are considered bonuses and are not an entitlement as part of an employee's salary.

(k) A school district's decision to provide an incentive payment under the Learning Enhancement Award Program is final and may not be appealed.

Representative Grusendorf moved to table Amendment No. 5.

A record vote was requested.

The motion to table was lost by (Record 14): 65 Yeas, 75 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Bohac; Branch; Brown, B.; Brown, F.; Callegari; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Eiland; Eissler; Flynn; Gattis; Goodman; Goolsby; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hupp; Isett; Jackson; Keel; Keffer, B.; King, P.; Krusee; Laubenberg; Madden;

McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pitts; Reyna; Riddle; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Blake; Bonnen; Burnam; Casteel; Castro; Chavez; Coleman; Cook, B.; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Geren; Giddings; Gonzales; Gonzalez Toureilles; Griggs; Guillen; Haggerty; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, D.; Jones, J.; King, T.; Kolkhorst; Kuempel; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Seaman; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Campbell; Chisum; Hamilton; Keffer, J.

STATEMENTS OF VOTE

I was shown voting yes on Record No. 14. I intended to vote no.

Eiland

I was shown voting yes on Record No. 14. I intended to vote no.

T. Smith

Amendment No. 5 was adopted.

AMENDMENTS ADOPTED

Representative Grusendorf moved to adopt all amendments remaining on the speaker's desk on **CSHB 2** (Amendment Nos. 6 - 56).

The motion prevailed. (Anchia, Burnam, Y. Davis, Deshotel, Dunnam, Edwards, Farabee, Flores, Gallego, Gonzales, Guillen, Herrero, Hochberg, Hodge, T. King, Martinez, Naishtat, Olivo, Raymond, Rodriguez, Rose, Solis, Strama, and Thompson recorded voting no.)

REASON FOR VOTE

I agreed with some but not all of the amendments.

Dunnam

Amendment No. 6 (by Dutton)

Amend **CSHB 2** by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS of Part A, Article 2, of the bill accordingly:

SECTION 2A.__. Sections 21.405(a) and (c), Education Code, are amended to read as follows:

(a) Except as provided by Subsection (c), each classroom teacher, full-time school nurse, or full-time librarian is entitled to at least a 30-minute lunch period free from all duties and responsibilities connected with the instruction and supervision of students. Each school district may set flexible or rotating schedules for each classroom teacher, full-time school nurse, or full-time librarian in the district for the implementation of the duty-free lunch period.

(c) If necessary because of a personnel shortage, extreme economic conditions, or an unavoidable or unforeseen circumstance, a school district may require a classroom teacher, nurse, or librarian entitled to a duty-free lunch to supervise students during lunch. A classroom teacher, nurse, or librarian may not be required to supervise students under this subsection more than one day in any school week. The commissioner by rule shall prescribe guidelines for determining what constitutes a personnel shortage, extreme economic conditions, or an unavoidable or unforeseen circumstance for purposes of this subsection.

Amendment No. 7 (by Dutton)

Amend **CSHB 2** by inserting the following appropriately numbered SECTION in Part I, Article 2 of the bill and renumbering subsequent SECTIONS of Part I, Article 2 accordingly:

SECTION 21.____. Subchapter A, Chapter 37, Education Code, is amended by adding Section 37.023 to read as follows:

Sec. 37.023. LIMITATION ON REFERRAL TO LAW ENFORCEMENT OFFICIAL FOR VIOLATION OF STUDENT CODE OF CONDUCT. A school administrator may not refer a student to a law enforcement official on the basis of conduct by the student that violates the student code of conduct but that the administrator knows or has reason to know is not a criminal offense.

Amendment No. 8 (by Dutton)

Floor Packet Page No. 66

Amend **CSHB 2**, in SECTION 2A.15 of the bill, immediately after proposed Section 21.651, Education Code (page 99, between lines 23 and 24), by inserting the following:

Sec. 21.6511. APPLICABILITY. (a) This subchapter applies only to a school district that contains one or more campuses considered to be academically unacceptable under Section 39.132 for the preceding school year.

(b) A school district may make an incentive payment under this subchapter only to an employee assigned to a campus considered academically unacceptable under Section 39.132.

Amendment No. 9 (by Giddings)

Floor Packet Page No. 94

Amend **CSHB 2** on Page 141, Line 14, by inserting between "Education" and the period, the following:

", and shall include expenditures for services that support instruction, including operation and maintenance of buildings, campus administration, student transportation, and other student and school support services".

Amendment No. 10 (by Coleman)

Floor Packet Page No. 95

Amend **CSHB 2** on page 127, between lines 14 and 15, by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS in Part C, Article 2, accordingly:

SECTION 2C. __. Chapter 1, Education Code, is amended by adding Section 1.0021 to read as follows:

Sec. 1.0021. DISCRIMINATION PROHIBITED. (a) In this section, "sexual preference" means only a preference for heterosexuality, homosexuality, or bisexuality.

(b) A public educational institution or employee of a public educational institution may not discriminate against a student enrolled in the institution on account of the ethnicity, color, gender, gender identity, sexual preference, disability, religion, or national origin of the student or the student's parent.

Amendment No. 11 (by Kolkhorst)

Floor Packet Page No. 96

Amend **CSHB 2** on page 133, between lines 14 and 15, by inserting the following appropriately numbered section to Part 2C of the bill and renumbering the subsequent sections of the bill accordingly:

SECTION 2C. __. Subchapter Z, Chapter 25, Education Code, is amended by adding Section 25.902 to read as follows:

Sec. 25.902. CERTAIN MANDATORY STUDENT IDENTIFICATION METHODS PROHIBITED. (a) In this section, "radio frequency identification technology" means a wireless identification system that uses an electromagnetic radio frequency signal to transmit data between a card, badge, or tag and another device without physical contact.

(b) A school district may not require a student to use an identification device that uses radio frequency identification technology or similar technology to identify the student, transmit information regarding the student, or track the location of the student, except that a district may require a student to use an identification device if the device is used only to provide for the ingress or egress of the student.

(c) A school district that permits the voluntary use of a student identification device described by Subsection (b) shall provide an alternative method of identification for a student if the student's parent or guardian submits timely written objection to the use of radio frequency identification technology.

Amendment No. 12 (by Turner)

Floor Packet Page No. 97

Amend **CSHB 2** in ARTICLE 2, PART C, of the bill by inserting the following appropriately numbered SECTION and renumbering the subsequent SECTIONS accordingly:

SECTION 2C. _____. Chapter 4, Education Code, is amended by adding Section 4.003 to read as follows:

Sec. 4.003. COMPLIANCE WITH CERTAIN UNFUNDED STATE MANDATES NOT REQUIRED. (a) For purposes of this section:

(1) "CSHB 2 mandate" means a provision of a state statute amended or added by CSHB 2, Acts of the 79th Legislature, Second Called Session, 2005, or rule adopted under a statute amended or added by CSHB 2, Acts of the 79th Legislature, Second Called Session, 2005, that requires:

(A) school district action to implement the provisions; and

(B) an expenditure by a school district that would not have been required in the absence of the provision.

(2) "Unfunded CSHB 2 mandate" means an CSHB 2 mandate for which the legislature has not appropriated funds estimated to be sufficient to meet the state's share of financing the expenditure.

(b) The Legislative Budget Board shall conduct a study of CSHB 2 mandates. The study shall identify each CSHB 2 mandate and each unfunded CSHB 2 mandate.

(c) Each school district shall cooperate with the board by providing information relating to the district's cost of implementing an CSHB 2 mandate. At the board's request, the agency, state auditor, comptroller, and other state officers and agencies shall assist the board in conducting the study and analyzing information obtained from school districts.

(d) Not later than November 1, 2005, the board shall:

(1) prepare a certified list of each unfunded CSHB 2 mandate; and

(2) deliver the certified list to the secretary of state for publication in the Texas Register.

(e) A school district is not required to comply with an unfunded CSHB 2 mandate that appears on the certified list published under Subsection (d).

Amendment No. 13 (by Campbell)

Floor Packet Page No. 98

Amend **CSHB 2** by adding the following appropriately numbered SECTION in Part C, Article 2 of the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION 2C. ____. (a) Section 25.081, Education Code, is amended to read as follows:

Sec. 25.081. OPERATION OF SCHOOLS. (a) Except as authorized under Subsection (b) of this section, Section 25.084, or Section 29.0821, for each school year each school district must operate so that the district provides for not more than ~~at least~~ 180 days and not fewer than 1,260 hours of instruction for students.

(b) The commissioner may approve the instruction of students for fewer than the number of hours ~~days~~ required under Subsection (a) if disaster, flood, extreme weather conditions, fuel curtailment, or another calamity causes the closing of schools.

(b) Section 25.081, Education Code, as amended by this section, applies beginning with the 2006-2007 school year.

Amendment No. 14 (by Merritt)

Floor Packet Page No. 102

Amend **CSHB 2** in Part C, Article 2, of the bill by adding a new appropriately numbered section to read as follows and by renumbering the existing sections as appropriate:

SECTION 2C.___. Section 45.003, Education Code, is amended by adding Subsection (e) to read as follows:

(e) If the members of the board of trustees of a school district are elected on the uniform election date in November, an election to approve the issuance of bonds and the imposition of taxes may be held only on that date.

Amendment No. 15 (by Casteel)

Floor Packet Page No. 103

Amend **CSHB 2** as follows:

Strike SECTION 2D.04, page 157.

Amendment No. 16 (by Casteel)

Floor Packet Page No. 104

Amend **CSHB 2** as follows:

Amend 2D.04, pages 157 as follows:

Sec. 11.004. APPLICABILITY OF TITLE TO EXEMPLARY DISTRICTS AND CAMPUSES.

(a) Except as provided by Subsection (b), a school district or campus rated exemplary under Section 39.072 is subject only to the prohibitions, restrictions, and requirements of this title that apply to a public charter district under Section 11A.052(b) ~~as approved pursuant to rules adopted~~ by the commissioner. The rules may not exempt requirements of this title relating to employee rights and benefits.

Amendment No. 17 (by Callegari)

Floor Packet Page No. 85

Amend **CSHB 2** (House committee printing) as follows:

(1) In SECTION 2C.02 of the bill, in added Section 7.056(e)(3)(M), Education Code (page 130, line 18), strike "first and".

(2) Strike Sections 2C.07 and 2C.08 of the bill (page 132, line 26, through page 133, line 14) and substitute the following appropriately numbered section:

SECTION 2C.___. Effective August 1, 2006, Section 25.0811, Education Code, is amended to read as follows:

Sec. 25.0811. FIRST AND LAST DAY OF INSTRUCTION. (a) A school district shall ~~[may not]~~ begin instruction for students for a school year on the first Tuesday after Labor Day ~~[before the week in which August 21 falls. For purposes of this subsection, Sunday is considered the first day of the week].~~

(b) If a school district intends to apply under Section 7.056 for a waiver of the requirement ~~[prohibition]~~ prescribed by Subsection (a), the district must:

(1) at least 60 days before the date the district submits the application for the waiver, publish notice in a newspaper having general circulation in the district:

(A) stating that the district intends to apply for a waiver of the requirement [~~prohibition~~] concerning the date of the first day of instruction for students; and

(B) specifying the date on which the district intends to begin instruction for students; and

(2) hold a public hearing concerning the date of the first day of instruction for students.

(c) The application for a waiver of the requirement [~~prohibition~~] prescribed by Subsection (a) must include a summary of the opinions expressed at the public hearing held under Subsection (b)(2), including any consensus of opinion expressed concerning the date of the first day of instruction for students.

(d) A school district's school year must end not later than June 7 unless:

(1) the district operates a year-round system under Section 25.084; or

(2) the commissioner grants a waiver to extend the school year at a campus as the result of a disaster, flood, extreme weather condition, fuel curtailment, or other calamity that caused a closure of the campus for a significant period.

(3) In SECTION 2C.20 of the bill (page 145, line 14), strike "first and".

(4) Renumber the sections of Part C, Article 2, of the bill accordingly.

(5) Strike SECTION 8.02 of the bill (page 453, lines 10-11) and renumber the subsequent sections of Article 8 accordingly.

Amendment No. 18 (by Callegari)

Floor Packet Page No. 87

Amend **CSHB 2** (House committee printing) as follows:

(1) On page 132, line 26, through page 133, line 14, strike Sections 2C.07 and 2C.08 of the bill and substitute the following appropriately numbered section:

SECTION 2C.__. Effective August 1, 2006, Section 25.0811, Education Code, is amended to read as follows:

Sec. 25.0811. FIRST AND LAST DAY OF INSTRUCTION. (a) A school district shall [~~may not~~] begin instruction for students for a school year on the first Tuesday after Labor Day [~~before the week in which August 21 falls. For purposes of this subsection, Sunday is considered the first day of the week~~].

(b) A school district that is located in a county that has a population of at least three million may apply under Section 7.056 for a waiver of the requirement prescribed by Subsection (a). If such a school district intends to apply [~~under Section 7.056~~] for a waiver as authorized by this subsection [~~of the prohibition prescribed by Subsection (a)~~], the district must:

(1) at least 60 days before the date the district submits the application for the waiver, publish notice in a newspaper having general circulation in the district:

(A) stating that the district intends to apply for a waiver of the requirement [~~prohibition~~] concerning the date of the first day of instruction for students; and

(B) specifying the date on which the district intends to begin instruction for students; and

(2) hold a public hearing concerning the date of the first day of instruction for students.

(c) The application for a waiver under Subsection (b) [~~of the prohibition prescribed by Subsection (a)~~] must include a summary of the opinions expressed at the public hearing held under Subsection (b)(2), including any consensus of opinion expressed concerning the date of the first day of instruction for students.

(d) A school district's school year must end not later than June 7 unless:

(1) the district operates a year-round system under Section 25.084; or

(2) the commissioner grants a waiver to extend the school year at a campus as the result of a disaster, flood, extreme weather condition, fuel curtailment, or other calamity that caused a closure of the campus for a significant period.

(2) Renumber the sections of Part C, Article 2, of the bill accordingly.

(3) Strike SECTION 8.02 of the bill (page 453, lines 10-11) and renumber the subsequent sections of Article 8 accordingly.

Amendment No. 19 (by Merritt)

Floor Packet Page No. 89

Amend **CSHB 2** in Part C, Article 2, of the bill as follows:

(1) Strike Section 2C.03 (page 130, line 21, through page 131, line 7, House committee printing).

(2) Strike Section 2C.16 (page 144, lines 1-17, House committee printing).

(3) Renumber the existing sections as appropriate.

Amendment No. 20 (by Phillips)

Floor Packet Page No. 90

Amend **CSHB 2** on page 133, line 6, by striking "June 7" and substituting "June 21".

Amendment No. 21 (by Eissler)

Floor Packet Page No. 91

Amend **CSHB 2** in Section 2C.08 of the bill as follows:

(1) Strike redesignated Subsection (c), Section 11.1514, Education Code, and substitute the following:

(c) The employment policy may:

(1) specify the terms of employment with the district; or

(2) delegate to the superintendent the authority to determine the terms of employment with the district [~~;~~ or

~~[-(3) include a provision for providing each current district employee with an opportunity to participate in a process for transferring to another school in or position with the district].~~

(2) At the end of redesignated Subsection (d)(1)(A)(ii), Section 11.1514, Education Code, strike "and" and substitute "or [and]".

Amendment No. 22 (by Madden)

Floor Packet Page No. 82

Amend **CSHB 2**, in ARTICLE 2, PART B of the bill, by adding the following appropriately numbered SECTION and renumbering the subsequent SECTIONS of PART B accordingly :

SECTION _____. Section 1551.101, Insurance Code, is amended by adding Subsection (c) to read as follows:

(c) An individual who is a member of the State Board of Education is eligible to participate in the group benefits program as provided by Subsection (a). Notwithstanding Subchapter G, the Texas Education Agency shall pay the state contribution costs of the participation described by this subsection from funds appropriated to the Texas Education Agency for central administration expenses. In paying the state contribution costs under this subsection, the Texas Education Agency may use funds otherwise available for the payment of dues for members of the State Board of Education for participation in professional organizations.

Amendment No. 23 (by Truitt)

Floor Packet Page No. 83

Amend **CSHB 2** as follows:

- (1) On page 130, line 18, strike "first and".
- (2) On page 132, line 26, through page 133, line 14, strike Sections 2C.07 and 2C.08 of the bill and substitute the following:

SECTION 2C.____. Effective August 1, 2006, Section 25.0811, Education Code, is amended to read as follows:

Sec. 25.0811. FIRST AND LAST DAY OF INSTRUCTION. (a) A school district shall ~~[may not]~~ begin instruction for students for a school year on the first Tuesday after Labor Day ~~[before the week in which August 21 falls. For purposes of this subsection, Sunday is considered the first day of the week].~~

(b) If a school district intends to apply under Section 7.056 for a waiver of the requirement ~~[prohibition]~~ prescribed by Subsection (a), the district must:

- (1) at least 60 days before the date the district submits the application for the waiver, publish notice in a newspaper having general circulation in the district:

- (A) stating that the district intends to apply for a waiver of the requirement ~~[prohibition]~~ concerning the date of the first day of instruction for students; and

- (B) specifying the date on which the district intends to begin instruction for students; and

- (2) hold a public hearing concerning the date of the first day of instruction for students.

(c) The application for a waiver of the requirement [~~prohibition~~] prescribed by Subsection (a) must include a summary of the opinions expressed at the public hearing held under Subsection (b)(2), including any consensus of opinion expressed concerning the date of the first day of instruction for students.

(d) If the commissioner grants a school district a waiver of the requirement prescribed by Subsection (a), for each day that the district instructs students before the school start date prescribed by that subsection, the commissioner shall assess a fee against the district in an amount determined by the commissioner in accordance with a rule adopted by the commissioner for that purpose. The fee must reflect the actual cost to the state resulting from the district's early school start date. Any fee assessed under this section shall be deposited in the general revenue fund. The commissioner shall adopt rules necessary to administer this subsection.

(e) A school district's school year must end not later than June 7 unless:

(1) the district operates a year-round system under Section 25.084; or

(2) the commissioner grants a waiver to extend the school year at a campus as the result of a disaster, flood, extreme weather condition, fuel curtailment, or other calamity that caused a closure of the campus for a significant period.

(3) On page 453, lines 10 and 11, strike Section 8.02 of the bill.

(4) Renumber the sections of the bill accordingly.

Amendment No. 24 (by Coleman)

Floor Packet Page No. 81

Amend **CSHB 2** in PART B, ARTICLE 2, of the bill by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS in PART B, ARTICLE 2 accordingly:

SECTION 2B.____. Subchapter C, Chapter 37, Education Code, is amended by adding Section 37.085 to read as follows:

Sec. 37.085. REPORT ON BULLYING AND DISCRIMINATION. (a) The agency shall collect data on the reasons for and prevalence of bullying and discrimination in public schools.

(b) The agency shall deliver a report on the data collected to the legislature not later than January 1, 2007.

(c) The commissioner shall set aside the amount necessary to pay costs associated with this section from amounts appropriated for allotments under Section 42.152, and reduce each district's allotments under that section proportionately.

(d) This section expires June 1, 2007.

Amendment No. 25 (by Hill)

Floor Packet Page No. 78

Amend **CSHB 2** in Part B, Article 2, of the bill by adding new appropriately numbered SECTIONS to read as follows and renumbering subsequent SECTIONS of Part B, Article 2, accordingly:

SECTION 2B. Section 28.002, Education Code, is amended by adding Subsection (d) to read as follows:

(d) In identifying the essential knowledge and skills of United States history at the high school level, the State Board of Education shall consult with an advisory committee appointed under this subsection in addition to those persons with whom the board is required under Subsection (c) to consult. Each member of the board shall appoint to the advisory committee a person to represent that member on the committee. Each representative serves at the will of the appointing board member and must be a person with expertise in one or more areas of United States history. The board must include among the essential knowledge and skills of United States history at the high school level that the board identifies, knowledge and skills of United States history from the colonial period through the present. The amount of class time at the high school level provided to study United States history that occurred before 1877 and the amount of testing at the high school level over history that occurred before 1877, including any assessment required under Section 39.023, must be as equal as practicable to the amount of class time and testing at the high school level for history beginning in 1877.

SECTION 2B. As soon as practicable after the effective date of this Act, the State Board of Education shall identify the essential knowledge and skills of the public school United States history curriculum at the high school level in accordance with Section 28.002(d), Education Code, as added by this Act, and approve new United States history instructional materials in accordance with Section 31.0253, Education Code, as added by this Act.

Amendment No. 26 (by Dunnam)

Floor Packet Supplement

Amend **CSHB 2** in Article 2 of the bill, in Part B, by inserting the following new SECTION, appropriately numbered, and renumbering subsequent SECTIONS of Part B accordingly:

SECTION 2B. Subchapter A, Chapter 322, Government Code, is amended by adding Section 322.0135 to read as follows:

Sec. 322.0135. LIST OF UNFUNDED LEGISLATIVE MANDATES APPLICABLE TO SCHOOL DISTRICTS. (a) In this section "legislative mandate" means a provision of a state statute that requires a school district to establish, expand, or modify an activity in a manner that requires an expenditure of revenue that would not have been required if the provision had not been enacted.

(b) Following each session of the legislature, the board shall publish a list of legislative mandates enacted during that legislative session for which the legislature has not provided reimbursement as described by Subsection (d). At the time the list is published, the board shall:

(1) remove from the list prepared following a previous legislative session a legislative mandate:

(A) for which the legislature has provided reimbursement as provided by Subsection (d); or

(B) that is no longer in effect; and

(2) add to the list a legislative mandate from a previous legislative session for which reimbursement was provided as provided by Subsection (d) in the previous legislative session but for which reimbursement was not provided in the most recent regular session or in any subsequent special session.

(c) The board shall publish the list, updated as required by Subsection (b), not later than September 1 following a regular session and not later than the 90th day after the last day of a special session of the legislature.

(d) A legislative mandate is considered to be a mandate for which the legislature has provided reimbursement if the legislature appropriates or otherwise provides funds for a state fiscal year, other than revenue of the school district, estimated by the board to be sufficient to meet the cost of financing the expenditure incurred in the fiscal year by all affected school districts.

(e) The board shall deliver the list prepared under Subsection (b) to the secretary of state for publication in the Texas Register.

Amendment No. 27 (by Madden)

Floor Packet Page No. 72

Amend **CSHB 2** in Part A, Article 2, of the bill by inserting the following appropriately numbered SECTION and renumbering the subsequent SECTIONS of Part A, Article 2, accordingly:

SECTION 2A.__. Subchapter B, Chapter 22, Education Code, is amended by adding Section 22.056 to read as follows:

Sec. 22.056. PROFESSIONAL LIABILITY INSURANCE FOR CLASSROOM TEACHERS. (a) Using funds appropriated for the purpose or otherwise available to the commissioner for the purpose, the commissioner shall make available to each classroom teacher, at no cost to the teacher, professional liability insurance to provide protection from claims for damages arising out of any act or omission that is incident to or within the scope of the duties of the teacher's position of employment.

(b) The commissioner shall obtain the insurance required to be made available by this section:

(1) in an amount determined appropriate by the commissioner; and

(2) from one or more insurers authorized to engage in the business of insurance in this state.

(c) The commissioner may adopt rules necessary to implement this section.

Amendment No. 28 (by Alonzo)

Floor Packet Page No. 73

Amend **CSHB 2** on page 106, between lines 12 and 13, by adding the following section to Part A of Article 2 and renumbering the subsequent sections of Part A accordingly:

SECTION 2A.__. Subchapter H, Chapter 51, Education Code, is amended by adding Section 51.4021 to read as follows:

Sec. 51.4021. STUDY AND REPORT OF PREDICTED FACULTY RETIREMENT. (a) In this section, "general academic teaching institution," "governing board," and "university system" have the meanings assigned by Section 61.003.

(b) To address the predicted retirement of a growing portion of university faculty in the coming years as a result of aging and the potential problems associated with that retirement, each general academic teaching institution shall conduct a study relating to faculty member retirements that may occur through the end of the 2025 academic year, including projections of the number and proportion of faculty members expected to retire during that period, the first academic year in which increasing retirements are expected to result in faculty shortages, and methods that the institution could reasonably implement to address those retirement issues through recruitment of new faculty members or other means. The governing board of an institution may appoint a committee to conduct the study. A university system may carry out the requirements prescribed by this subsection for the system's component institutions or may direct one or more component institutions to conduct the study for the system.

(c) Each general academic teaching institution or university system, as applicable, shall prepare a report based on the study required by Subsection (b). The institution or system shall submit the report to the Texas Higher Education Coordinating Board not later than September 1, 2006.

(d) This section expires January 1, 2007.

Amendment No. 29 (by Merritt)

Floor Packet Page No. 75

Amend **CSHB 2** (House committee printing) as follows:

(1) In Part B, Article 2, of the bill (page 117, between lines 10 and 11), insert the following appropriately numbered section and renumber the subsequent sections of Part B, Article 2 accordingly:

SECTION 2B. __. Section 7.111, Education Code, is amended by amending Subsection (b) and adding Subsections (a-1) and (c) to read as follows:

(a-1) A person is not required to withdraw from school in order to take the high school equivalency examination.

(b) The board by rule shall establish and require payment of a fee as a condition to the issuance of a high school equivalency certificate and a copy of the scores of the examinations. The fee must be reasonable and designed to cover the administrative costs of issuing the certificate and a copy of the scores. ~~The board may not require a waiting period between the date a person withdraws from school and the date the person takes the examination unless the period relates to the time between administrations of the examination.~~

(c) Notwithstanding Subsection (b), the board by rule shall allow a person to take the high school equivalency examination on one occasion at state cost.

(2) In SECTION 2D.30 of the bill, in added Section 39.113(b), Education Code (page 186, line 21), strike "and".

(3) In SECTION 2D.30 of the bill, in added Section 39.113(b), Education Code (page 186, between lines 21 and 22), insert the following:

(5) improvements in student scores on high school equivalency examinations; and

(4) In SECTION 2D.30 of the bill, in added Section 39.113(b), Education Code (page 186, line 22), strike "(5)" and substitute "(6)".

Amendment No. 30 (by Villarreal)

Floor Packet Page No. 70

Amend **CSHB 2** in Part A, Article 2 of the bill (House Committee Printing) by adding the following appropriately numbered SECTION and renumbering the subsequent SECTIONS of Part A accordingly:

SECTION 2A. __. Section 814.103, Government Code, is amended to read as follows:

Sec. 814.103. SERVICE RETIREMENT BENEFITS FOR ELECTED CLASS SERVICE. (a) Except as otherwise provided by this section [~~Subsection (b)~~], the standard service retirement annuity for service credited in the elected class of membership is an amount equal to the number of years of service credit in that class, times two percent of the state salary, as adjusted from time to time, being paid a district judge.

(b) The standard service retirement annuity for service credited in the elected class computed under Subsection (a) may not exceed at any time 100 percent of the state salary being paid a district judge.

(c) The standard service retirement annuity for service credited in the elected class by a person for service as a member of the legislature is an amount equal to the number of years of service credit in that class times two percent of the statewide average salary being paid a teacher in a public school.

(d) The standard service retirement annuity for service credited in the elected class computed under Subsection (c) may not exceed at any time 100 percent of the statewide average salary being paid a teacher in a public school.

(e) The board of trustees shall annually determine the statewide average salary being paid a teacher in a public school for purposes of Subsections (c) and (d). The Teacher Retirement System of Texas and the Texas Education Agency shall provide, at the request of the board of trustees, any information or assistance the board of trustees requires to make the determination required by this subsection.

Amendment No. 31 (by Dutton)

Amend **CSHB 2** by inserting the following appropriately numbered SECTIONS in Part I, Article 2 of the bill and renumbering subsequent SECTIONS of Part I, Article 2 accordingly:

SECTION 2I. __. Section 37.081(h), Education Code, is amended to read as follows:

~~(h) [A peace officer assigned to duty and commissioned under this section shall take and file the oath required of peace officers and shall execute and file a bond in the sum of \$1,000, payable to the board of trustees, with two or more sureties, conditioned that the peace officer will fairly, impartially, and faithfully perform all the duties that may be required of the peace officer by law. The bond~~

~~may be sued on in the name of any person injured until the whole amount of the bond is recovered.] Any peace officer commissioned under this section must meet all minimum standards for peace officers established by the Commission on Law Enforcement Officer Standards and Education.~~

SECTION 21. __. Section 37.102, Education Code, is amended by adding Subsection (d) to read as follows:

(d) Subsection (c) does not apply to conduct by a student that violates the student code of conduct if the conduct is not an offense under other law or under a specific rule adopted by the board of trustees under this subchapter.

Amendment No. 32 (by Nixon, Gallego, Hilderbran, Van Arsdale, A. Allen, Casteel, Corte, Anderson, Harper-Brown, Thompson, Callegari, Giddings, Straus, Isett, Madden, and Baxter)

Floor Packet Page No. 134

Amend **CSHB 2** as follows:

(1) On page 453, between lines 26 and 27, insert the following new SECTION of the bill to read as follows:

SECTION __. __. It is the intent of the Legislature that the provisions in **HB 1**, Acts of the 79th Legislature, 1st Called Session, 2005, relating to funding for the provision of textbooks refer to funding for Proclamation 2002 textbooks for the 2005-06 school year. Notwithstanding any other law or provision of this Act, the Texas Education Agency shall expedite the process for timely delivery of such textbooks to classrooms upon passage of this Act.

Amendment No. 33 (by Merritt)

Floor Packet Page No. 105

Amend **CSHB 2** in SECTION 2D.10 of the bill, in proposed Subsection (c), Section 29.913, Education Code (page 153, lines 7-8), by striking "public speaker to promote the importance of higher education" and substituting "public speaker who is a member of the business community to speak of the importance of higher education in obtaining a well-paying job and achieving and maintaining a high standard of living".

Amendment No. 34 (by B. Brown)

Floor Packet Page No. 106

Amend **CSHB 2** as follows:

(1) On page 153, line 23, strike "Subsections (a-1) and (b-1)" and substitute "Subsections (a-1), (b-1), and (e-1)".

(2) Strike the text on page 157 lines 25-27, through page 158 lines 1-9 and substitute the following:

(e) Under rules adopted by the State Board of Education:

(1) the agency shall release to each school district questions and answer keys to each assessment instrument administered under Subsections (a), (b), (c), and (l) and Section 39.027 not later than the 30th day after the date results are released for that year under Subsection (h) or another law or rule, as applicable; and

(2) [7] every other year, the agency shall release the questions and answer keys to each assessment instrument administered under Subsection [(a), (b), (c), (e)], (d) [7, or (4)] after the last time the instrument is administered for that school year.

(e-1) To ensure a valid bank of questions for use in assessment instruments administered under Subsection (a), (b), (c), (d), or (l) or Section 39.027 each year, the agency is not required under Subsection (e) to release a question that is being field-tested and was not used to compute the student's score on the instrument. The agency, under board rule, shall [also] release, after the last time an assessment instrument is administered for that school year [7, under board rule], each question that is no longer being field-tested and that was not used to compute a student's score.

Amendment No. 35 (by McReynolds)

Floor Packet Page No. 107

Amend **CSHB 2** as follows:

In SECTION 2D.17 of the bill, page 165, line 17, strike the word "shall" and substitute the word "may".

Amendment No. 36 (by Hamilton)

Floor Packet Page No. 108

Amend **CSHB 2** in SECTION 2D.21 of the bill as follows:

(1) In amended Section 39.051(b)(2), Education Code (page 171, line 13), between "dropout rates" and the comma, insert "for students who are under 18 years of age".

(2) In amended Section 39.051(b)(16), Education Code (page 174, line 1), between "rates" and "and", insert "for students who are under 18 years of age".

Amendment No. 37 (by Merritt)

Floor Packet Page No. 109

Amend **CSHB 2** in SECTION 2D.24 of the bill, by striking proposed Subsection (d), Section 39.071, Education Code (page 177, lines 15-22), and substituting the following:

(d) The commissioner shall notify the board of trustees and superintendent of a school district that receives an accreditation status of accredited-warned or accredited-probation that the performance of the district is below a standard required under this section. The commissioner shall require the district to notify the parents of students enrolled in the district and property owners in the district of the district's accreditation status and the implications of that accreditation status. The notice to the parents and property owners must include notice that:

(1) is provided in a newspaper of general circulation in the district;

(2) is not smaller than one-quarter page of a standard-size or a tabloid-size newspaper; and

(3) contains a headline in 18-point or larger type.

Amendment No. 38 (by Eissler)

Floor Packet Page No. 110

Amend **CSHB 2** (House committee report) as follows:

(1) In SECTION 2D.31 of the bill, in amended Section 39.131, Education Code (page 190, between lines 25 and 26), insert the following new Subsection (c):

(c) The commissioner may solicit proposals to institute educational technology and service remediation programs designed to help students build mastery of state learning standards and improve performance on assessment instruments administered under Section 39.023. The program must provide a variety of online lesson plans for teacher intervention, proven Internet-based courses for students, and assessment tools to gauge student progress and should provide site management, logistics, teacher hiring, training, and communications with administrators and parents.

(2) In SECTION 2D.32 of the bill, in amended Section 39.132, Education Code (page 191, line 2), strike "~~(a)~~" and substitute "(a)".

(3) In SECTION 2D.32 of the bill, in amended Section 39.132, Education Code (page 193, line 7), strike "~~(b)~~" and substitute "(b) The commissioner may solicit proposals to institute educational technology and service remediation programs designed to help students build mastery of state learning standards and improve performance on assessment instruments administered under Section 39.023. The program must provide a variety of online lesson plans for teacher intervention, proven Internet-based courses for students, and assessment tools to gauge student progress and should provide site management, logistics, teacher hiring, training, and communications with administrators and parents. ["

Amendment No. 39 (by Eissler)

Floor Packet Page No. 111

Amend **CSHB 2** on page 225, line 17, by striking "matter and in reading courses" and substituting "matter, including social studies, economics, and ~~it~~ reading courses,".

Amendment No. 40 (by Alonzo)

Floor Packet Page No. 112

Amend **CSHB 2** as follows:

(1) In Part D, Article 2, of the bill (page 161, between lines 19 and 20), insert the following appropriately numbered section and renumber the subsequent sections in Part D, Article 2, accordingly:

SECTION 2D. . . Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.0234 to read as follows:

Sec. 39.0234. CONTRACTS FOR ASSESSMENT INSTRUMENT MATERIALS. At least 20 percent of the contracts that the agency enters into for the purchase or licensing of materials relating to assessment instruments administered under Section 39.023 must be with historically underutilized businesses.

(2) In SECTION 2E.21 of the bill, in amended Section 31.026, Education Code (page 232, between lines 21 and 22), insert the following:

(g) At least 20 percent of the contracts that the Department of Information Resources or the agency enters into for the purchase of approved instructional materials must be with historically underutilized businesses.

Amendment No. 41 (by Coleman)

Floor Packet Page No. 113

Amend **CSHB 2** (House committee printing) as follows:

(1) On page 197, line 17, strike "alternative management" and substitute "whole school redesign".

(2) On page 198, line 24, strike "alternative management" and substitute "whole school redesign".

(3) On page 199, line 2, strike "alternative management" and substitute "whole school redesign".

(4) On page 199, line 6, strike "alternative management" and substitute "whole school redesign".

(5) On page 199, line 19, strike "MANAGEMENT" and substitute "WHOLE SCHOOL REDESIGN".

(6) On page 199, lines 22-23, strike "alternative management under Section 39.1323(e) or (f)" and substitute "whole school redesign under this subchapter".

(7) Strike page 199, line 24, through page 203, line 3, and substitute the following:

(b) If the commissioner determines that the basis for identifying the campus as academically unacceptable is limited to a specific condition that may be remedied with targeted technical assistance from the agency, the commissioner:

(1) may provide the campus a one-year waiver under this section; and

(2) shall provide the appropriate technical assistance to remedy the specific condition.

(c) The commissioner shall require the board of trustees of a school district that includes a campus identified as academically unacceptable to develop a whole school redesign plan to correct the instructional program at the campus and to improve student performance. The commissioner shall provide technical assistance in developing the whole school redesign plan.

(d) A whole school redesign plan shall implement research-based methods demonstrated to enhance student achievement and, at a minimum, shall:

(1) prohibit instructional class sizes of more than 10 students for each teacher; and

(2) require each classroom teacher assigned to the campus to:

(A) have at least two years of teaching experience;

(B) be appropriately certified for all assigned subjects; and

(C) meet the requirements of a highly qualified teacher as provided by the No Child Left Behind Act of 2001 (Pub. L. No. 107-110).

(e) For purposes of Subsection (d)(2)(B), a classroom teacher is not appropriately certified if the teacher is an "inappropriately certified or uncertified teacher" as defined by Section 21.057.

(8) On page 208, lines 17-18, strike "the managing entities under" and substitute "a campus subject to".

Amendment No. 42 (by Naishtat)

Floor Packet Page No. 115

Amend **CSHB 2** as follows:

(1) In SECTION 2E.20 of the bill, in added Section 31.0251(b), Education Code (House Committee Report, page 229, line 25, through page 230, line 2), strike Subdivisions (2) and (3) and substitute the following:

(2) determine whether the essential knowledge and skills identified in the submission are covered in the student version of the instructional material, as well as in the teacher version of the instructional material; and

(3) identify the degree to which the student version of the instructional material, as well as the teacher version of the instructional material, each complies with the essential knowledge and skills.

(2) In SECTION 2E.20 of the bill, in added Section 31.0253(b), Education Code (House Committee Report, page 230, lines 23-25), strike "the instructional material does not contain the essential knowledge and skills identified by the publisher" and substitute "the student version of the instructional material, as well as the teacher version of the instructional material, do not each contain the essential knowledge and skills identified by the publisher".

(3) In SECTION 2E.20 of the bill, in added Section 31.0253(b), Education Code (House Committee Report, page 230, line 27), between "covers" and the period, insert "in both the student and teacher versions of the instructional material".

Amendment No. 43 (by Eissler)

Floor Packet Page No. 117

Amend **CSHB 2** in Part I, Article 2, by adding a new appropriately numbered SECTION to read as follows and by renumbering the existing SECTIONS of Part I as appropriate:

SECTION 2I. __. Section 37.001(b-1), Education Code, as added by **HB 283**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

(b-1) Except as allowed by federal law or regulations, the [The] methods adopted under Subsection (a)(8) must provide that a student who is enrolled in a special education program under Subchapter A, Chapter 29, may not be disciplined for conduct prohibited in accordance with Subsection (a)(7) until an admission, review, and dismissal committee meeting has been held to review the conduct.

Amendment No. 44 (by Eissler)

Floor Packet Page No. 118

Amend **CSHB 2** in ARTICLE 2 of the bill, in PART K, by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of PART K accordingly:

SECTION 2K. _____. Section 28.002, Education Code, as amended by **SB 42**, Acts of the 79th Legislature, Regular Session, 2005, is amended by amending Subsection (l-3) and adding Subsection (l-4) to read as follows:

(l-3)(1) This subsection may be cited as "Lauren's Law."

(2) The State Board of Education or[~~;~~] the Department of State Health Services[~~, or a school district~~] may not adopt any rule, policy, or program under Subsections (a), (k), (l), (l-1), or (l-2) that would prohibit a parent or grandparent of a student from providing any food product of the parent's or grandparent's choice to:

(A) children in the classroom of the child of the parent or grandparent on the occasion of the child's birthday; or

(B) children at a school-designated function.

(l-4) Subsection (l-3) does not prohibit a school district from adopting a rule, policy, or program as described by that subsection.

Amendment No. 45 (by Hope)

Floor Packet Page No. 119

Amend **CSHB 2** by amending Section 21.002 of the Education Code to read as follows:

Education Code §21.002. TEACHER EMPLOYMENT CONTRACTS. (a) A school district shall employ each classroom teacher, principal, librarian, nurse, licensed athletic trainer or counselor under:

(1) a probationary contract, as provided by Subchapter C;

(2) a continuing contract, as provided by Subchapter D; or

(3) a term contract, as provided by Subchapter E.

(b) A district is not required to employ a person other than an employee listed in Subsection (a) under a probationary, continuing, or term contract.

(c) Each board of trustees shall establish a policy designating specific positions of employment, or categories of positions based on considerations such as length of service, to which continuing contracts or term contracts apply

Amendment No. 46 (by Anderson)

Floor Packet Page No. 120

Amend **CSHB 2** by inserting the following new sections, appropriately numbered, and renumbering the subsequent sections accordingly:

SECTION _____. Sections 11.253(d) and (h), Education Code, are amended to read as follows:

(d) Each campus improvement plan must:

(1) assess the academic achievement for each student in the school using the academic excellence indicator system as described by Section 39.051;

(2) set the campus performance objectives based on the academic excellence indicator system, including objectives for special needs populations, including students in special education programs under Subchapter A, Chapter 29;

(3) identify how the campus goals will be met for each student;

(4) determine the resources needed to implement the plan;

- (5) identify staff needed to implement the plan;
 - (6) set timelines for reaching the goals;
 - (7) measure progress toward the performance objectives periodically to ensure that the plan is resulting in academic improvement;
 - (8) include goals and methods for violence prevention and intervention on campus as approved by a site-based school discipline policy committee established under Section 11.2531, if such a committee is established; and
 - (9) provide for a program to encourage parental involvement at the campus.
- (h) A principal shall regularly consult the campus-level committee and a site-based school discipline policy committee established under Section 11.2531, if such a committee is established, in the planning, operation, supervision, and evaluation of the campus educational program.

SECTION ____ . Subchapter F, Chapter 11, Education Code, is amended by adding Section 11.2531 to read as follows:

Sec. 11.2531. SITE-BASED SCHOOL DISCIPLINE POLICY COMMITTEE. (a) Each school district shall permit the establishment of a site-based school discipline policy committee at a district campus.

(b) A group of classroom teachers at a campus may establish a site-based school discipline policy committee by a petition containing the signatures of at least 50 percent of the classroom teachers at the campus. If such a petition is submitted to the principal not later than the 10th instructional day of a school year, the principal shall approve the establishment of the committee.

(c) A member of a site-based school discipline policy committee must be a full-time classroom teacher.

(d) Not later than the 20th instructional day of a school year, the committee shall meet and elect by secret ballot an executive board from its membership. The board shall establish policies concerning the time and manner of committee and board meetings.

(e) A site-based school discipline policy committee shall establish policies regarding:

(1) discipline management and the student code of conduct in accordance with Chapter 37;

(2) goals and methods for violence prevention and intervention on campus;

(3) teacher and school personnel safety; and

(4) methods for teachers to address the committee or the board regarding individual or systematic concerns in matters of school discipline or school personnel safety.

SECTION ____ . Section 37.001(a), Education Code, as amended by **HB 283** and **HB 603**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

(a) The board of trustees of an independent school district shall, with the advice of its district-level committee established under Subchapter F, Chapter 11, and of the site-based school discipline policy committees for campuses in the district, if such committees are established, adopt a student code of conduct for

the district. The student code of conduct must be posted and prominently displayed at each school campus or made available for review at the office of the campus principal. In addition to establishing standards for student conduct, the student code of conduct must:

(1) specify the circumstances, in accordance with this subchapter, under which a student may be removed from a classroom, campus, or disciplinary alternative education program;

(2) specify conditions that authorize or require a principal or other appropriate administrator to transfer a student to a disciplinary alternative education program;

(3) outline conditions under which a student may be suspended as provided by Section 37.005 or expelled as provided by Section 37.007;

(4) specify whether consideration is given, as a factor in a decision to order suspension, removal to a disciplinary alternative education program, or expulsion, to:

(A) self-defense;

(B) intent or lack of intent at the time the student engaged in the conduct;

(C) a student's disciplinary history; or

(D) a disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct;

(5) provide guidelines for setting the length of a term of:

(A) a removal under Section 37.006; and

(B) an expulsion under Section 37.007;

(6) address the notification of a student's parent or guardian of a violation of the student code of conduct committed by the student that results in suspension, removal to a disciplinary alternative education program, or expulsion;

(7) prohibit bullying, harassment, and making hit lists and ensure that district employees enforce those prohibitions; and

(8) provide, as appropriate for students at each grade level, methods, including options, for:

(A) managing students in the classroom and on school grounds;

(B) disciplining students; and

(C) preventing and intervening in student discipline problems, including bullying, harassment, and making hit lists.

SECTION ____. Section 37.002(c), Education Code, is amended to read as follows:

(c) If a teacher removes a student from class under Subsection (b), the principal may place the student into another appropriate classroom, into in-school suspension, or into a disciplinary alternative education program as provided by Section 37.008. The principal may not return the student to that teacher's class without the teacher's consent unless the site-based school discipline policy committee established under Section 11.2531 or, if such a committee is not established, the committee established under Section 37.003 determines that such

placement is the best or only alternative available. The terms of the removal may prohibit the student from attending or participating in school-sponsored or school-related activity.

SECTION _____. Section 37.002(d), Education Code, as amended by **HB 603**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

(d) A teacher shall remove from class and send to the principal for placement in a disciplinary alternative education program or for expulsion, as appropriate, a student who engages in conduct described under Section 37.006 or 37.007. The student may not be returned to that teacher's class without the teacher's consent unless the site-based school discipline policy committee established under Section 11.2531 or, if such a committee is not established, the committee established under Section 37.003 determines that such placement is the best or only alternative available. If the teacher removed the student from class because the student has engaged in the elements of any offense listed in Section 37.006(a)(2)(B) or Section 37.007(a)(2)(A) or (b)(2)(C) against the teacher, the student may not be returned to the teacher's class without the teacher's consent. The teacher may not be coerced to consent.

Amendment No. 47 (by Leibowitz)

Floor Packet Page No. 125

Amend **CSHB 2** by adding the following appropriately numbered sections and renumbering the subsequent sections of the bill accordingly:

SECTION _____. Chapter 34, Education Code, is amended by adding Section 34.012 to read as follows:

Sec. 34.012. LOCATION OF BUS STOP. (a) When designating the location of a bus stop, a school district shall consider the proximity of the bus stop to the residence of an individual as to whom the district superintendent or a school administrator has received notice under Article 62.054, Code of Criminal Procedure.

(b) The district shall attempt to locate each bus stop at least 1,500 feet from the residence of an individual described by Subsection (a), as measured in a straight line from the nearest property line of the residence to the bus stop.

SECTION _____. Section 34.012, Education Code, as added by this Act, applies beginning with the 2005–2006 school year.

Amendment No. 48 (by Alonzo)

Floor Packet Page No. 126

Amend **CSHB 2** by adding the following appropriately numbered sections to Part C, Article 2, of the bill, and renumbering the subsequent sections of Part C accordingly:

SECTION 2C. ___. Section 25.086(a), Education Code, as amended by **SB 151**, **SB 1395**, and **SB 1452**, Acts of the 79th Legislature, Regular Session, 2005, is reenacted and amended to read as follows:

(a) A child is exempt from the requirements of compulsory school attendance if the child:

(1) attends a private or parochial school that includes in its course a study of good citizenship;

(2) is eligible to participate in a school district's special education program under Section 29.003 and cannot be appropriately served by the resident district;

(3) has a physical or mental condition of a temporary and remediable nature that makes the child's attendance infeasible and holds a certificate from a qualified physician specifying the temporary condition, indicating the treatment prescribed to remedy the temporary condition, and covering the anticipated period of the child's absence from school for the purpose of receiving and recuperating from that remedial treatment;

(4) is expelled in accordance with the requirements of law in a school district that does not participate in a mandatory juvenile justice alternative education program under Section 37.011;

(5) is at least 17 years of age and[±

~~[(A) is attending a course of instruction to prepare for the high school equivalency examination, and;~~

~~[(i) has the permission of the child's parent or guardian to attend the course;~~

~~[(ii) is required by court order to attend the course;~~

~~[(iii) has established a residence separate and apart from the child's parent, guardian, or other person having lawful control of the child; or~~

~~[(iv) is homeless as defined by 42 U.S.C. Section 11302; or~~

~~[(B) has received a high school diploma [or high school equivalency certificate];~~

(6) ~~[is at least 16 years of age and is attending a course of instruction to prepare for the high school equivalency examination, if:~~

~~[(A) the child is recommended to take the course of instruction by a public agency that has supervision or custody of the child under a court order; or~~

~~[(B) the child is enrolled in a Job Corps training program under 29 U.S.C. Section 2881 et seq.;~~

~~[(7) is at least 16 years of age and is enrolled in a high school diploma program under Chapter 18;~~

(7) ~~[(8) is enrolled in the Texas Academy of Mathematics and Science under Subchapter G, Chapter 105;~~

(8) ~~[(9) is enrolled in the Texas Academy of Leadership in the Humanities;~~

(9) is enrolled in the Texas Academy of Mathematics and Science at The University of Texas at Brownsville;

(10) ~~[(9)]~~ is enrolled in the Texas Academy of International Studies; or

(11) ~~[(10)]~~ is specifically exempted under another law.

SECTION 2C. __. Section 25.086, Education Code, as amended by this Act, applies only to a child who is not exempt from the requirements of compulsory school attendance before the effective date of this Act. A child who is exempt

from the requirements of compulsory school attendance before the effective date of this Act is governed by the law as it existed before the effective date of this Act, and the former law is continued in effect for that purpose.

Amendment No. 49 (by McReynolds)

Floor Packet Page No. 129

Amend **CSHB 2** Sec. 11A.102 pg 330 to read as follows:

The commissioner by rule shall adopt a procedure for providing notice to the following persons on receipt by the State Board of Education of an application for a charter for a public charter school under Section sec. 11A.002:

1. the board of trustees of each school district from which the proposed charter school is likely to draw students, as determined by the commissioner: and
2. each member of the legislature that represents the geographic area to be served by the proposed school, as determined by the commissioner.

Amendment No. 50 (by McReynolds)

Floor Packet Page No. 130

Amend **CSHB 2** on pages 356 and 357 as follows:

Delete section 11A.251(b), page 356 lines 23-27 and on page 357 lines 1 and 2: ~~A public charter district admission policy may provide for the exclusion of a student who has a document history of a criminal offense, juvenile court adjudication, or discipline problems under Subchapter A. Chapter 37.~~

Amendment No. 51 (by McReynolds)

Floor Packet Page No. 131

Amend **CSHB 2** Section 11A.301, page 361 lines 4 and 5 as follows:

On line 23 strike the words "~~high school diploma~~" and replace with "baccalaureate degree".

Amendment No. 52 (by J. Keffer)

Floor Packet Page No. 132

Amend **CSHB 2**, by striking Section 7.125 (pg 425, line 12 through pg 426, line 27) in its entirety and renumbering the remaining sections accordingly.

Amendment No. 53 (by Alonzo)

Floor Packet Page No. 133

Amend **CSHB 2** in SECTION 7.125 of the bill, by inserting the following new Subdivision between Subdivisions (1) and (2) of proposed Section 21.0461(b), Education Code (page 425, between lines 22 and 23), and renumbering subsequent subdivisions of that subsection accordingly:

(2) demonstrate knowledge and experience in communicating and interacting successfully with parents, taxpayers, and other members of the community, including residents of ethnically and racially diverse communities within the school district that will employ the person under the temporary certificate;

Amendment No. 54 (by Alonzo)

Floor Packet Page No. 135

Amend **CSHB 2** by adding the following appropriately lettered part to Article 2 of the bill, and relettering subsequent parts accordingly:

PART ___. PUBLIC USE OF COMPUTERS IN CERTAIN LOCAL PUBLIC LIBRARIES

SECTION 2___.01. Chapter 315, Local Government Code, is amended by adding Section 315.007 to read as follows:

Sec. 315.007. COMPUTER ACCESS IN CERTAIN PUBLIC LIBRARIES. A municipal public library in a municipality with a population of more than 50,000:

(1) shall provide computers with high-speed Internet access for use by the public; and

(2) may charge a reasonable fee for use of the computers.

Amendment No. 55 (by Flores)

Floor Packet Page No. 136

Amend **CSHB 2** by adding the following appropriately numbered article to the bill and renumbering subsequent articles of the bill accordingly:

ARTICLE ___. CONTINUATION OF STATE LOTTERY TO FUND PUBLIC SCHOOLS; PROCUREMENTS

SECTION ___.01. Section 466.003, Government Code, is amended to read as follows:

Sec. 466.003. CONTINUATION OF LOTTERY OPERATOR CONTRACT ON ABOLITION OF COMMISSION [APPLICATION OF SUNSET ACT]. ~~[(a) The lottery division is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the division is abolished and this chapter expires September 1, 2005. In the review of the lottery division by the Sunset Advisory Commission, as required by this section, the sunset commission shall limit its review to the appropriateness of recommendations made by the sunset commission to the 78th Legislature. In the Sunset Advisory Commission's report to the 79th Legislature, the sunset commission may include any recommendations it considers appropriate.~~

~~[(b)]~~ A contract between the division and a lottery operator under Section 466.014(b) must contain a provision allowing the contract to be terminated without penalty should the division be abolished.

SECTION ___.02. Section 467.002, Government Code, as amended by **HB 1116**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

Sec. 467.002. APPLICATION OF SUNSET ACT. The commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter, Chapter 466 of this code, and Chapter 2001, Occupations Code, expire September 1, 2007 ~~[2011]~~.

SECTION ____.03. Section 466.101, Government Code, is amended to read as follows:

Sec. 466.101. PROCUREMENT PROCEDURES. Except as otherwise provided by this subchapter, the general law governing purchasing and contracts by state agencies applies to the commission. ~~[(a) The executive director may establish procedures for the purchase or lease of facilities, goods, and services and make any purchases, leases, or contracts that are necessary for carrying out the purposes of this chapter. The procedures must, as determined feasible and appropriate by the executive director, promote competition to the maximum extent possible.~~

~~[(b) In all procurement decisions, the executive director shall take into account the particularly sensitive nature of the lottery and shall act to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery and the objective of producing revenues for the state treasury.~~

~~[(c) The procurement procedures adopted by the executive director must, as determined feasible and appropriate by the executive director, afford any party who is aggrieved by the terms of a solicitation or the award of a contract an opportunity to protest the executive director's action to the commission. The protest procedures must provide for an expedient resolution of the protest in order to avoid substantially delaying a solicitation or contract award that is necessary for the timely implementation of a lottery game. A protest must be in writing and be filed with the commission not later than 72 hours after receipt of notice of the executive director's action.~~

~~[(d) A party who is aggrieved by the commission's resolution of a protest under Subsection (c) may file an action in the district court of Travis County. The court shall give preference to hearings and trials of actions under this section. If the party filing the action seeks to enjoin the implementation of a solicitation or contract, the party shall post a bond that is payable to the state if the party does not prevail in the appeal, and is in an amount sufficient to compensate the state for the revenue that would be lost due to the delay in lottery operations.~~

~~[(e) The commission shall require any person seeking to contract for goods or services relating to the implementation and administration of this chapter to submit to competitive bidding procedures in accordance with rules adopted by the commission. The procedures must be for the purpose of ensuring fairness and integrity.]~~

SECTION ____.04. Sections 466.102, 466.104, 466.105, 466.106, 466.107, and 466.108, Government Code, are repealed.

SECTION ____.05. The change in law made by this Act governing purchasing and contracts by the Texas Lottery Commission applies to a purchase or contract made on or after the effective date of this Act, except that a contract or purchase for which the initial notice soliciting bids or proposals or other applicable expressions of interest is given before that date is governed by the law in effect when the initial notice for the contract or purchase is given, and the former law is continued in effect for that purpose. The change in law made by this Act does not affect a contract entered into before the effective date of this

Act, and does not apply to a purchase made on or after the effective date under a contract entered into before the effective date if the purchase is made during the period covered by the contract.

Amendment No. 56 (by McCall)

Floor Packet Page No. 139

Amend **CSHB 2** by inserting a new appropriately numbered ARTICLE to read as follows:

ARTICLE ____

DRIVER AND TRAFFIC SAFETY EDUCATION

SECTION __.01. Section 1001.001, Education Code, is amended by amending Subdivisions (2), (3), (4), and (5) and adding Subdivision (13-a) to read as follows:

(2) "Approved driving safety course" means a driving safety course approved by the department ~~[commissioner]~~.

(3) "Commission" ~~["Commissioner"]~~ means the Texas Commission of Licensing and Regulation ~~[commissioner of education]~~.

(4) "Course provider" means an enterprise that:

(A) maintains a place of business or solicits business in this state;

(B) is operated by an individual, association, partnership, or corporation; and

(C) has received an approval for a driving safety course from the ~~department [commissioner]~~ or has been designated by a person who has received that approval to conduct business and represent the person in this state.

(5) "Department" means the Texas Department of Licensing and Regulation ~~[Public Safety]~~.

(13-a) "Executive director" means the executive director of the department.

SECTION __.02. Section 1001.002(c), Education Code, is amended to read as follows:

(c) A driver education course is exempt from this chapter, other than Section 1001.055, if the course is:

(1) conducted by a vocational driver training school operated to train or prepare a person for a field of endeavor in a business, trade, technical, or industrial occupation;

(2) conducted by a school or training program that offers only instruction of purely avocational or recreational subjects as determined by the ~~department [commissioner]~~;

(3) sponsored by an employer to train its own employees without charging tuition;

(4) sponsored by a recognized trade, business, or professional organization with a closed membership to instruct the members of the organization; or

(5) conducted by a school regulated and approved under another law of this state.

SECTION __.03. Sections 1001.003 and 1001.004, Education Code, are amended to read as follows:

Sec. 1001.003. LEGISLATIVE INTENT REGARDING SMALL BUSINESSES. It is the intent of the legislature that commission [agency] rules that affect driver training schools that qualify as small businesses be adopted and administered so as to have the least possible adverse economic effect on the schools.

Sec. 1001.004. COST OF ADMINISTERING CHAPTER. The cost of administering this chapter shall be included in the state budget allowance for the department [agency].

SECTION __.04. Sections 1001.051 and 1001.052, Education Code, are amended to read as follows:

Sec. 1001.051. JURISDICTION OVER SCHOOLS. The department [agency] has jurisdiction over and control of driver training schools regulated under this chapter.

Sec. 1001.052. RULES. The commission [agency] shall adopt ~~[and administer]~~ comprehensive rules governing driving safety courses, including rules to ensure the integrity of approved driving safety courses and enhance program quality.

SECTION __.05. The heading to Section 1001.053, Education Code, is amended to read as follows:

Sec. 1001.053. POWERS AND DUTIES OF DEPARTMENT [COMMISSIONER].

SECTION __.06. Section 1001.053(a), Education Code, is amended to read as follows:

(a) The department [commissioner] shall:

- (1) administer ~~[the policies of]~~ this chapter;
- (2) enforce minimum standards for driver training schools under this chapter; and
- (3) ~~[adopt and]~~ enforce rules adopted by the commission necessary to administer this chapter~~;~~ and

~~[(4) visit a driver training school or course provider and reexamine the school or course provider for compliance with this chapter].~~

SECTION __.07. The heading to Section 1001.054, Education Code, is amended to read as follows:

Sec. 1001.054. RULES RESTRICTING ADVERTISING ~~[OR [COMPETITIVE BIDDING]~~.

SECTION __.08. Section 1001.054(c), Education Code, is amended to read as follows:

(c) The commission [commissioner] by rule may restrict advertising by a branch location of a driver training school so that the location adequately identifies the primary location of the school in a solicitation.

SECTION __.09. Section 1001.055, Education Code, is amended to read as follows:

Sec. 1001.055. DRIVER EDUCATION CERTIFICATES. (a) The department [~~agency~~] shall print and supply to each licensed or exempt driver education school driver education certificates to be used for certifying completion of an approved driver education course to satisfy the requirements of Section 521.204(a)(2), Transportation Code. The certificates must be numbered serially.

(b) The commission [~~agency~~] by rule shall provide for the design and distribution of the certificates in a manner that, to the greatest extent possible, prevents the unauthorized reproduction or misuse of the certificates.

(c) The department [~~agency~~] may charge a fee of not more than \$4 for each certificate.

SECTION __.10. Subsections (b), (c), (e) and (g), Section 1001.056, Education Code, as amended by **HB 468**, 79th Legislature, Regular Session, are amended to read as follows:

(b) The department [~~agency~~] shall provide each licensed course provider with course completion certificate numbers to enable the provider to print and issue [~~agency approved~~] department-approved uniform certificates of course completion. The certificates must be serial.

(c) The department [~~agency~~] by rule shall provide for the design of the certificates and the distribution of certificate numbers in a manner that, to the greatest extent possible, prevents the unauthorized production or the misuse of the certificates or certificate numbers.

(e) The department [~~agency~~] may charge a fee of not more than \$4 for each course completion certificate number. A course provider that supplies a certificate to an operator shall collect from the operator a fee equal to the amount of the fee paid to the agency for the certificate number.

(g) A course provider shall issue a duplicate certificate by United States mail or commercial delivery. The department [~~commissioner~~] by rule shall determine the amount of the fee for issuance of a duplicate certificate under this subsection.

SECTION __.11. Section 1001.057, Education Code, is amended to read as follows:

Sec. 1001.057. ELECTRONIC TRANSMISSION OF DRIVING SAFETY COURSE INFORMATION. The department [~~agency~~] shall investigate options to develop and implement procedures to electronically transmit information relating to driving safety courses to municipal and justice courts.

SECTION __.12. Subchapter B, Chapter 1001, Education Code, is amended by adding Section 1001.058 to read as follows:

Sec. 1001.058. DESIGNATION OF PERSON TO ADMINISTER CHAPTER. The executive director may designate a person knowledgeable in the administration of regulating driver training schools to administer this chapter for the department.

SECTION __.13. Sections 1001.101 and 1001.102, Education Code, are amended to read as follows:

Sec. 1001.101. DRIVER EDUCATION COURSE CURRICULUM AND TEXTBOOKS. The commission [~~commissioner~~] by rule shall establish the curriculum and designate the textbooks to be used in a driver education course.

Sec. 1001.102. ALCOHOL AWARENESS INFORMATION. (a) The commission [~~agency~~] by rule shall require that information relating to alcohol awareness and the effect of alcohol on the effective operation of a motor vehicle be included in the curriculum of any driver education course or driving safety course.

(b) In developing rules under this section, the commission [~~agency~~] shall consult with the Department of Public Safety [~~department~~].

SECTION .14. Sections 1001.103(b), (d), and (e), Education Code, are amended to read as follows:

(b) The department [~~agency~~] shall develop standards for a separate school certification and approve curricula for drug and alcohol driving awareness programs that include one or more courses. Except as provided by commission [~~agency~~] rule, a program must be offered in the same manner as a driving safety course.

(d) In accordance with Section 461.013(b), Health and Safety Code, the department [~~agency~~] and the Department of State Health Services [~~Texas Commission on Alcohol and Drug Abuse~~] shall enter into a memorandum of understanding for the interagency approval of the required curricula.

(e) The commission [~~Notwithstanding Section 1001.056, Subchapter D, and Sections 1001.213 and 1001.303, the commissioner~~] may establish fees in connection with the programs under this section. The fees must be in amounts reasonable and necessary to administer the department's [~~agency's~~] duties under this section.

SECTION .15. Sections 1001.104 and 1001.105, Education Code, are amended to read as follows:

Sec. 1001.104. HOSPITAL AND REHABILITATION FACILITIES. (a) The department [~~agency~~] shall enter into a memorandum of understanding with the Texas Department of Assistive and Rehabilitative Services [~~Rehabilitation Commission~~] and the Department of Public Safety [~~department~~] for the interagency development of curricula and licensing criteria for hospital and rehabilitation facilities that teach driver education.

(b) The department [~~agency~~] shall administer comprehensive rules governing driver education courses adopted by mutual agreement among the commission [~~agency~~], the Texas Department of Assistive and Rehabilitative Services [~~Rehabilitation Commission~~], and the Department of Public Safety [~~department~~].

Sec. 1001.105. TEXAS DEPARTMENT OF INSURANCE. The commission [~~agency~~] shall enter into a memorandum of understanding with the Texas Department of Insurance for the interagency development of a curriculum for driving safety courses.

SECTION .16. Sections 1001.106(b), (c), and (d), Education Code, are amended to read as follows:

(b) The commission [~~commissioner~~] by rule shall provide minimum standards of curriculum relating to operation of vehicles at railroad and highway grade crossings.

(c) Subchapter F, Chapter 51, Occupations Code, Section 51.353, Occupations Code, and Section [Sections 1001.454,] 1001.456 of this code[, and 1001.553] do not apply to a violation of this section or a rule adopted under this section.

(d) Section 51.352, Occupations Code, and Sections [1001.455(a)(6),] 1001.501[, 1001.551, 1001.552,] and 1001.554 of this code do not apply to a violation of this section.

SECTION __.17. Section 1001.107, Education Code, is amended to read as follows:

Sec. 1001.107. INFORMATION RELATING TO LITTER PREVENTION.

(a) The commission [commissioner] by rule shall require that information relating to litter prevention be included in the curriculum of each driver education and driving safety course.

(b) In developing rules under this section, the commission [commissioner] shall consult the Department of Public Safety [department].

SECTION __.18. Sections 1001.108(a) and (c), Education Code, are amended to read as follows:

(a) The commission [commissioner] by rule shall require that information relating to anatomical gifts be included in the curriculum of each driver education course and driving safety course.

(c) In developing rules under this section, the commission [commissioner] shall consult with the Department of Public Safety [department] and the [Texas] Department of State Health Services.

SECTION __.19. Section 1001.151, Education Code, as amended by **HB 468**, 79th Legislature, Regular Session, is amended to read as follows:

Sec. 1001.151. APPLICATION, LICENSE, AND REGISTRATION FEES.

(a) The commission [commissioner] shall establish [collect] application, license, and registration fees. The fees must be in amounts sufficient to cover administrative costs and are nonrefundable. The department shall collect the application, license, and registration fees.

(b) The commission shall establish a fee for:

(1) an initial driver education school license and [is \$1,000 plus \$850] for each branch location; [-]

(2) [(e) The fee for] an initial driving safety school license; [is an appropriate amount established by the commissioner not to exceed \$200.]

(3) [(d) The fee for] an initial course provider license [is an appropriate amount established by the commissioner not to exceed \$2,000], except that the commission [agency] may waive the fee if revenue received from the course provider is sufficient to cover the cost of licensing the course provider; [-]

(4) the [(e) The] annual renewal [fee] for a course provider, driving safety school, driver education school, or branch location [is an appropriate amount established by the commissioner not to exceed \$200], except that the commission [agency] may waive the fee if revenue generated by the issuance of course completion certificate numbers and driver education certificates is sufficient to cover the cost of administering this chapter and Article 45.0511, Code of Criminal Procedure; [-]

(5) ~~[(f) The fee for]~~ a change of address of:
~~[(1) a driver education school, [is \$180; and~~
~~[(2) a driving safety school, or course provider; [is \$50.]~~

(6) ~~[(g) The fee for]~~ a change of name of:

~~(A) [(1) a driver education school or course provider or an owner~~
~~of a driver education school or course provider [is \$100]; or [and~~

~~(B) [(2) a driving safety school or owner of a driving safety school;~~
~~[is \$50.]~~

(7) ~~[(h) The application fee for]~~ each additional driver education or
driving safety course at a driver training school; ~~[is \$25.]~~

(8) ~~an [(i) The] application of a [fee for:~~

~~[(1) each] director, [is \$30; and~~

~~[(2) each] assistant director, or administrative staff member; and [is~~
~~\$15.]~~

(9) ~~an [(j) Each] application for approval of a driving safety course that~~
~~has not been evaluated by the department [commissioner must be accompanied~~
~~by a nonrefundable fee of \$9,000];~~

(10) an application for approval to teach an approved driving safety
course by an alternative method.

~~(c) [(k) An application for an original driver education or driving safety~~
~~instructor license must be accompanied by a processing fee [of \$50] and an~~
~~annual license fee [of \$25], except that the department [commissioner] may not~~
~~collect the processing fee from an applicant for a driver education instructor~~
~~license who is currently teaching a driver education course in a public school in~~
~~this state.~~

~~(d) [(4) The commission [commissioner] shall establish the amount of the~~
~~fee for a duplicate license.~~

SECTION __.20. Section 1001.153, Education Code, is amended to read as
follows:

Sec. 1001.153. COMPLAINT INVESTIGATION FEE. (a) The commission
~~[commissioner]~~ shall establish the amount of the fee to investigate a driver
training school or course provider to resolve a complaint against the school or
course provider.

(b) The fee may be charged only if:

(1) the complaint could not have been resolved solely by telephone or
in writing;

(2) a representative of the department ~~[agency]~~ visited the school or
course provider as a part of the complaint resolution process; and

(3) the school or course provider was found to be at fault.

SECTION __.21. Section 1001.202(b), Education Code, is amended to read
as follows:

(b) A driving safety school may use multiple classroom locations to teach a
driving safety course if each location:

(1) is approved by the parent school and the department ~~[agency]~~;

(2) has the same name as the parent school; and

(3) has the same ownership as the parent school.

SECTION __.22. Sections 1001.203, 1001.204, 1001.205, and 1001.206, Education Code, are amended to read as follows:

Sec. 1001.203. APPLICATION. To operate or do business in this state, a driver training school must apply to the department [~~commissioner~~] for the appropriate license. The application must:

- (1) be in writing;
- (2) be in the form prescribed by the department [~~commissioner~~];
- (3) include all required information; and
- (4) be verified.

Sec. 1001.204. REQUIREMENTS FOR DRIVER EDUCATION SCHOOL LICENSE. The department [~~commissioner~~] shall approve an application for a driver education school license if, on investigation of the premises of the school, it is determined that the school:

(1) has courses, curricula, and instruction of a quality, content, and length that reasonably and adequately achieve the stated objective for which the courses, curricula, and instruction are offered;

(2) has adequate space, equipment, instructional material, and instructors to provide training of good quality in the classroom and behind the wheel;

(3) has directors, instructors, and administrators who have adequate educational qualifications and experience;

(4) provides to each student before enrollment:

(A) a copy of:

(i) the refund policy;

(ii) the schedule of tuition, fees, and other charges; and

(iii) the regulations relating to absence, grading policy, and

rules of operation and conduct; and

(B) the department's name, mailing address, [~~and~~] telephone number, and Internet website address [~~of the~~ agency] for the purpose of directing complaints to the department [~~agency~~];

(5) maintains adequate records as prescribed by the department [~~commissioner~~] to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(6) on completion of training, issues each student a certificate indicating the course name and satisfactory completion;

(7) complies with all county, municipal, state, and federal regulations, including fire, building, and sanitation codes and assumed name registration;

(8) is financially sound and capable of fulfilling its commitments for training;

(9) has administrators, directors, owners, and instructors who are of good reputation and character;

(10) maintains and publishes as part of its student enrollment contract the proper policy for the refund of the unused portion of tuition, fees, and other charges if a student fails to take the course or withdraws or is discontinued from the school at any time before completion;

(11) does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department [~~commissioner~~];

(12) does not use a name similar to the name of another existing school or tax-supported educational institution in this state, unless specifically approved in writing by the executive director [~~commissioner~~];

(13) submits to the department [~~agency~~] for approval the applicable course hour lengths and curriculum content for each course offered by the school;

(14) does not owe an administrative penalty for a violation of [~~under~~] this chapter; and

(15) meets any additional criteria required by the department [~~agency~~].

Sec. 1001.205. REQUIREMENTS FOR DRIVING SAFETY SCHOOL LICENSE. The department [~~commissioner~~] shall approve an application for a driving safety school license if on investigation the department [~~agency~~] determines that the school:

(1) has driving safety courses, curricula, and instruction of a quality, content, and length that reasonably and adequately achieve the stated objective for which the course, curricula, and instruction are developed by the course provider;

(2) has adequate space, equipment, instructional material, and instructors to provide training of good quality;

(3) has instructors and administrators who have adequate educational qualifications and experience;

(4) maintains adequate records as prescribed by the department [~~commissioner~~] to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(5) complies with all county, municipal, state, and federal laws, including fire, building, and sanitation codes and assumed name registration;

(6) has administrators, owners, and instructors who are of good reputation and character;

(7) does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department [~~commissioner~~];

(8) does not use a name similar to the name of another existing school or tax-supported educational establishment in this state, unless specifically approved in writing by the executive director [~~commissioner~~];

(9) maintains and uses the approved contract and policies developed by the course provider;

(10) does not owe an administrative penalty for a violation of [~~under~~] this chapter;

(11) will not provide a driving safety course to a person for less than \$25; and

(12) meets additional criteria required by the department [~~commissioner~~].

Sec. 1001.206. REQUIREMENTS FOR COURSE PROVIDER LICENSE.

The department [~~commissioner~~] shall approve an application for a course provider license if on investigation the department [~~agency~~] determines that:

(1) the course provider has an approved course that at least one licensed driving safety school is willing to offer;

(2) the course provider has adequate educational qualifications and experience;

(3) the course provider will:

(A) develop and provide to each driving safety school that offers the approved course a copy of:

(i) the refund policy; and

(ii) the regulations relating to absence, grading policy, and rules of operation and conduct; and

(B) provide to the driving safety school the department's name, mailing address, [~~and~~] telephone number, and Internet website address [~~of the agency~~] for the purpose of directing complaints to the department [~~agency~~];

(4) a copy of the information provided to each driving safety school under Subdivision (3) will be provided to each student by the school before enrollment;

(5) not later than the 15th working day after the date the person successfully completes the course, the course provider [~~will mail~~] shall issue a uniform certificate of course completion by United States mail or commercial delivery to the person indicating the course name and successful completion;

(6) the course provider maintains adequate records as prescribed by the department [~~commissioner~~] to show attendance and progress or grades and enforces satisfactory standards relating to attendance, progress, and conduct;

(7) the course provider complies with all county, municipal, state, and federal laws, including assumed name registration and other applicable requirements;

(8) the course provider is financially sound and capable of fulfilling its commitments for training;

(9) the course provider is of good reputation and character;

(10) the course provider maintains and publishes as a part of its student enrollment contract the proper policy for the refund of the unused portion of tuition, fees, and other charges if a student fails to take the course or withdraws or is discontinued from the school at any time before completion;

(11) the course provider does not use erroneous or misleading advertising, either by actual statement, omission, or intimation, as determined by the department [~~commissioner~~];

(12) the course provider does not use a name similar to the name of another existing school or tax-supported educational institution in this state, unless specifically approved in writing by the executive director [~~commissioner~~];

(13) the course provider does not owe an administrative penalty for a violation of [~~under~~] this chapter; and

(14) the course provider meets additional criteria required by the department [~~commissioner~~].

SECTION __.23. Sections 1001.207(a) and (b), Education Code, are amended to read as follows:

(a) Before a driver education school may be issued a license, the school must file a corporate surety bond with the department [~~commissioner~~] in the amount of:

- (1) \$10,000 for the primary location of the school; and
- (2) \$5,000 for each branch location.

(b) A bond issued under Subsection (a) must be:

- (1) issued in a form approved by the department [~~commissioner~~];
- (2) issued by a company authorized to do business in this state;
- (3) payable to the state to be used only for payment of a refund due to a student or potential student;
- (4) conditioned on the compliance of the school and its officers, agents, and employees with this chapter and rules adopted under this chapter; and
- (5) issued for a period corresponding to the term of the license.

SECTION __.24. Section 1001.209(b), Education Code, as amended by **HB 468**, 79th Legislature, Regular Session, is amended to read as follows:

(b) A bond issued under Subsection (a) must be:

- (1) issued by a company authorized to do business in this state;
- (2) payable to the state to be used:
 - (A) for payment of a refund due a student of the course provider's approved course;
 - (B) to cover the payment of unpaid fees or penalties assessed by the department [~~agency~~]; or
 - (C) to recover any cost associated with providing course completion certificate numbers, including the cancellation of certificate numbers;
- (3) conditioned on the compliance of the course provider and its officers, agents, and employees with this chapter and rules adopted under this chapter; and
- (4) issued for a period corresponding to the term of the license.

SECTION __.25. Section 1001.210, Education Code, is amended to read as follows:

Sec. 1001.210. ALTERNATE FORM OF SECURITY. Instead of the bond required by Section 1001.207 or 1001.209, a driver education school or course provider may provide another form of security that is:

- (1) [~~(A)~~] approved by the department [~~commissioner~~]; and
- (2) [~~(B)~~] in the amount required for a comparable bond under Section 1001.207 or 1001.209.

SECTION __.26. Sections 1001.211(a) and (b), Education Code, are amended to read as follows:

(a) The department [~~commissioner~~] shall issue a license to an applicant for a license under this subchapter if:

- (1) the application is submitted in accordance with this subchapter; and
- (2) the applicant meets the requirements of this chapter.

(b) A license must be in a form determined by the department [~~commissioner~~] and must show in a clear and conspicuous manner:

- (1) the date of issuance, effective date, and term of the license;
- (2) the name and address of the driver training school or course provider;
- (3) the authority for and conditions of approval;
- (4) the executive director's ~~[commissioner's]~~ signature; and
- (5) any other fair and reasonable representation that is consistent with this chapter and that the department ~~[commissioner]~~ considers necessary.

SECTION __.27. Section 1001.212, Education Code, is amended to read as follows:

Sec. 1001.212. NOTICE OF DENIAL OF LICENSE. The department ~~[commissioner]~~ shall provide a person whose application for a license under this subchapter is denied a written statement of the reasons for the denial.

SECTION __.28. Sections 1001.213(c) and (d), Education Code, are amended to read as follows:

(c) ~~The commission may establish [instead of the] fees [required by Section 1001.151, the fee] for a new driver education school or course provider license under Subsection (b) and [is \$500, plus \$200] for each branch location that are different from the amounts established under Section 1001.151[-] if:~~

- (1) the new owner is substantially similar to the previous owner; and
- (2) there is no significant change in the management or control of the driver education school or course provider.

(d) The department ~~[commissioner]~~ is not required to reinspect a school or a branch location after a change of ownership.

SECTION __.29. Section 1001.214, Education Code, is amended to read as follows:

Sec. 1001.214. DUPLICATE LICENSE. A duplicate license may be issued to a driver training school or course provider if:

- (1) the original license is lost or destroyed; and
- (2) an affidavit of that fact is filed with the department ~~[agency]~~.

SECTION __.30. Sections 1001.251, 1001.252, and 1001.253, Education Code, are amended to read as follows:

Sec. 1001.251. LICENSE REQUIRED FOR INSTRUCTOR. (a) A person may not teach or provide driver education, either as an individual or in a driver education school, or conduct any phase of driver education, unless the person holds a driver education instructor license issued by the department ~~[agency]~~.

(b) A person may not teach or provide driving safety training, either as an individual or in a driving safety school, or conduct any phase of driving safety education, unless the person holds a driving safety instructor license issued by the department ~~[agency]~~. This subsection does not apply to an instructor of a driving safety course that does not provide a uniform certificate of course completion to its graduates.

Sec. 1001.252. SIGNATURE AND SEAL ON LICENSE REQUIRED. A license under this subchapter must be signed by the executive director ~~[commissioner]~~.

Sec. 1001.253. DRIVER EDUCATION INSTRUCTOR TRAINING. (a) The department [~~commissioner~~] shall establish standards for certification of professional and paraprofessional personnel who conduct driver education programs in driver education schools.

(b) A driver education instructor license authorizing a person to teach or provide behind-the-wheel training may not be issued unless the person has successfully completed six semester hours of driver and traffic safety education or a program of study in driver education approved by the department [~~commissioner~~] from an approved driver education school.

(c) A person who holds a driver education instructor license authorizing behind-the-wheel training may not be approved to [~~assist a classroom instructor~~] provide instruction in the classroom phase of driver education, under the certification of a classroom instructor, unless the person has successfully completed the three additional semester hours of training required for a classroom instructor or a program of study in driver education approved by the department [~~commissioner~~].

(d) Except as provided by Section 1001.254, a driver education instructor license authorizing a person to teach or provide classroom training may not be issued unless the person:

(1) has completed nine semester hours of driver and traffic safety education or a program of study in driver education approved by the department [~~commissioner~~] from an approved driver education school; and

(2) holds a teaching certificate and any additional certification required to teach driver education.

(e) A driver education instructor who has completed the educational requirements prescribed by Subsection (d)(1) may not teach instructor training classes unless the instructor has successfully completed a supervising instructor development program consisting of at least six additional semester hours or a program of study in driver education approved by the department [~~commissioner~~] that includes administering driver education programs and supervising and administering traffic safety education, except that the supervising teacher may allow driver education teachers and teaching assistants to provide training in areas appropriate for their level of certification or licensure.

(f) A driver education school may submit for department [~~agency~~] approval a curriculum for an instructor development program for driver education instructors. The program must:

(1) be taught by a person who has completed a supervising instructor development program under Subsection (e); and

(2) satisfy the requirements of this section for the particular program or type of training to be provided.

SECTION __.31. Section 1001.254(a), Education Code, is amended to read as follows:

(a) A temporary driver education instructor license may be issued authorizing a person to teach or provide classroom driver education training if the person:

(1) has completed the educational requirements prescribed by Section 1001.253(d)(1);

(2) holds a Texas teaching certificate with an effective date before February 1, 1986;

(3) meets all license requirements, other than successful completion of the examination required under rules adopted by the State Board for Educator Certification to revalidate the teaching certificate; and

(4) demonstrates, in a manner prescribed by the department [~~commissioner~~], the intention to comply with the examination requirement at the first available opportunity.

SECTION __.32. Sections 1001.255(a), (b), and (c), Education Code, are amended to read as follows:

(a) The department [~~agency~~] shall regulate as a driver education school a driver education instructor who:

(1) teaches driver education courses in a county having a population of 50,000 or less; and

(2) does not teach more than 200 students annually.

(b) An instructor described by Subsection (a) must submit to the department [~~agency~~] an application for an initial or renewal driver education school license, together with all required documentation and information.

(c) The department [~~commissioner~~] may waive initial or renewal driver education school license fees or the fee for a director or administrative staff member.

SECTION __.33. Section 1001.256, Education Code, is amended to read as follows:

Sec. 1001.256. DUPLICATE LICENSE. A duplicate license may be issued to a driver education instructor or driving safety instructor if:

(1) the original license is lost or destroyed; and

(2) an affidavit of that fact is filed with the department [~~agency~~].

SECTION __.34. The heading to Subchapter G, Chapter 1001, Education Code, is amended to read as follows:

SUBCHAPTER G. LICENSE EXPIRATION [~~AND RENEWAL~~]

SECTION __.35. Section 1001.351(b), Education Code, as amended by **HB 468**, 79th Legislature, Regular Session, is amended to read as follows:

(b) A course provider shall electronically submit to the department [~~agency~~] in the manner established by the department [~~agency~~] data identified by the department [~~agency~~] relating to uniform certificates of course completion issued by the course provider.

SECTION __.36. Section 1001.352, Education Code, is amended to read as follows:

Sec. 1001.352. FEES FOR DRIVING SAFETY COURSE. (a) A course provider shall charge each student:

(1) at least \$25 for a driving safety course; and

(2) a fee of at least \$3 which shall be retained by the course provider to be used solely for course materials and for supervising and administering the course as required by this chapter and the rules of the commission.

(b) The department shall periodically audit course providers to verify compliance with this subsection. A course provider shall make its books and records available to the department as needed to verify compliance with this section and failure to do so may be enforced pursuant to Subchapter J.

SECTION __.37. Sections 1001.354(a) and (b), Education Code, are amended to read as follows:

(a) A driving safety course may be taught at a driving safety school if the school is approved by the department [~~agency~~].

(b) A driving safety school may teach an approved driving safety course by an alternative method that does not require students to be present in a classroom if the department [~~commissioner~~] approves the alternative method. The department [~~commissioner~~] may approve the alternative method if:

(1) the department [~~commissioner~~] determines that the approved driving safety course can be taught by the alternative method; and

(2) the alternative method includes testing and security measures that are at least as secure as the measures available in the usual classroom setting.

SECTION __.38. Sections 1001.404(b) and (c), Education Code, are amended to read as follows:

(b) The department [~~commissioner~~] shall establish annually the rate of interest for a refund at a rate sufficient to provide a deterrent to the retention of student money.

(c) The department [~~agency~~] may except a driver education school or course provider from the payment of interest if the school or course provider makes a good-faith effort to refund tuition, fees, and other charges but is unable to locate the student to whom the refund is owed. On request of the department [~~agency~~], the school or course provider shall document the effort to locate a student.

SECTION __.39. Sections 1001.451 and 1001.452, Education Code, are amended to read as follows:

Sec. 1001.451. PROHIBITED PRACTICES. A person may not:

(1) use advertising designed to mislead or deceive a prospective student;

(2) fail to notify the department [~~commissioner~~] of the discontinuance of the operation of a driver training school before the fourth working day after the date of cessation of classes and make available accurate records as required by this chapter;

(3) issue, sell, trade, or transfer:

(A) a uniform certificate of course completion or driver education certificate to a person or driver training school not authorized to possess the certificate;

(B) a uniform certificate of course completion to a person who has not successfully completed an approved, six-hour driving safety course; or

(C) a driver education certificate to a person who has not successfully completed a department-approved [~~commissioner-approved~~] driver education course;

(4) negotiate a promissory instrument received as payment of tuition or another charge before the student completes 75 percent of the course, except that before that time the instrument may be assigned to a purchaser who becomes subject to any defense available against the school named as payee; or

(5) conduct any part of an approved driver education course or driving safety course without having an instructor physically present in appropriate proximity to the student for the type of instruction being given.

Sec. 1001.452. COURSE OF INSTRUCTION. A driver education [~~training~~] school shall [~~may~~] not enroll a student [~~maintain, advertise, solicit for,~~] or conduct a course of instruction in this state before [~~the later of~~]:

(1) [~~the 30th day after the date the school applies for a driver training school license; or~~]

(2) the date the school receives a driver education [~~training~~] school license from the department [~~commissioner~~]; and

(3) the facilities and equipment are inspected and approved by the department.

SECTION __.40. Sections 1001.453(d) and (e), Education Code, are amended to read as follows:

(d) Subchapter F, Chapter 51, Occupations Code, Section 51.353, Occupations Code, and Section [~~Sections 1001.454,~~] 1001.456(a) of this code [~~;~~ and 1001.553] do not apply to a violation of this section or a rule adopted under this section.

(e) Section 51.352, Occupations Code, and Sections [~~1001.455(a)(6),~~] 1001.501 [~~, 1001.551, 1001.552,~~] and 1001.554 of this code do not apply to a violation of this section.

SECTION __.41. Section 1001.456, Education Code, as amended by **HB 468**, 79th Legislature, Regular Session, is amended to read as follows:

Sec. 1001.456. OTHER DISCIPLINARY ACTIONS. (a) If the department [~~agency~~] believes that a driver education school or instructor has violated this chapter or a rule or order of the commission or executive director [~~adopted under this chapter~~], the department [~~agency~~] may, without notice:

(1) order a peer review;

(2) suspend the enrollment of students in the school or the offering of instruction by the instructor; or

(3) suspend the right to purchase driver education certificates.

(b) If the department [~~agency~~] believes that a course provider, driving safety school, or driving safety instructor has violated this chapter or a rule or order of the commission or executive director [~~adopted under this chapter~~], the department [~~agency~~] may, without notice:

(1) order a peer review of the course provider, driving safety school, or driving safety instructor;

(2) suspend the enrollment of students in the school or the offering of instruction by the instructor; or

(3) suspend the right to purchase course completion certificate numbers.

(c) A peer review ordered under this section must be conducted by a team of knowledgeable persons selected by the department [~~agency~~]. The team shall provide the department [~~agency~~] with an objective assessment of the content of the school's or course provider's curriculum and its application. The school or course provider shall pay the costs of the peer review.

(d) A suspension of enrollment under Subsection (a)(2) or (b)(2) means a ruling by the executive director [~~commissioner~~] that restricts a school from:

- (1) accepting enrollments or reenrollments;
- (2) advertising;
- (3) soliciting; or

(4) directly or indirectly advising prospective students of its program or course offerings.

SECTION __.42. The heading to Subchapter L, Chapter 1001, Education Code, is amended to read as follows:

SUBCHAPTER L. PENALTIES [~~AND ENFORCEMENT PROVISIONS~~]

SECTION __.43. Section 1001.555(b), Education Code, is amended to read as follows:

(b) The department [~~agency~~] shall contract with the Department of Public Safety [~~department~~] to provide undercover and investigative assistance in the enforcement of Subsection (a).

SECTION __.44. Article 45.0511(b), Code of Criminal Procedure, is amended to read as follows:

(b) The judge shall require the defendant to successfully complete a driving safety course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~] or a course under the motorcycle operator training and safety program approved by the designated state agency under Chapter 662, Transportation Code, if:

(1) the defendant elects driving safety course or motorcycle operator training course dismissal under this article;

(2) the defendant has not completed an approved driving safety course or motorcycle operator training course, as appropriate, within the 12 months preceding the date of the offense;

(3) the defendant enters a plea under Article 45.021 in person or in writing of no contest or guilty on or before the answer date on the notice to appear and:

(A) presents in person or by counsel to the court a request to take a course; or

(B) sends to the court by certified mail, return receipt requested, postmarked on or before the answer date on the notice to appear, a written request to take a course;

(4) the defendant has a valid Texas driver's license or permit;

(5) the defendant is charged with an offense to which this article applies, other than speeding 25 miles per hour or more over the posted speed limit; and

(6) the defendant provides evidence of financial responsibility as required by Chapter 601, Transportation Code.

SECTION __.45. Section 51.308, Education Code, is amended to read as follows:

Sec. 51.308. DRIVER EDUCATION. A driver education course for the purpose of preparing students to obtain a driver's license may be offered by an institution of higher education, as defined by Section 61.003, with the approval of the Texas Department of Licensing and Regulation [~~Central Education Agency~~].

SECTION __.46. Section 521.1655(a), Transportation Code, is amended to read as follows:

(a) A driver education school licensed under Chapter 1001, Education Code, [~~the Texas Driver and Traffic Safety Education Act (Article 4413(29e), Vernon's Texas Civil Statutes)~~] may administer to a student of that school the vision, highway sign, and traffic law parts of the examination required by Section 521.161.

SECTION __.47. Section 521.203, Transportation Code, is amended to read as follows:

Sec. 521.203. RESTRICTIONS ON CLASS A AND B LICENSES. The department may not issue a Class A or Class B driver's license to a person who:

- (1) is under 17 years of age;
- (2) is under 18 years of age unless the person has completed a driver training course approved by the Texas Department of Licensing and Regulation [~~Central Education Agency~~]; or
- (3) has not provided the department with an affidavit, on a form prescribed by the department, that states that no vehicle that the person will drive that requires a Class A or Class B license is a commercial motor vehicle as defined by Section 522.003.

SECTION __.48. Subsection 521.204(a), Transportation Code, is amended to read as follows:

Sec. 521.204. RESTRICTIONS ON MINOR. (a) The department may issue a Class C driver's license to an applicant under 18 years of age only if the applicant:

- (1) is 16 years of age or older;
- (2) has submitted to the department a driver education certificate issued under Section 1001.055, Education Code [~~Section 9A, Texas Driver and Traffic Safety Education Act (Article 4413(29e), Vernon's Texas Civil Statutes)~~], that states that the person has completed and passed a driver education course approved by the department under Section 521.205 or by the Texas Department of Licensing and Regulation [~~Education Agency~~];
- (3) has obtained a high school diploma or its equivalent or is a student:
 - (A) enrolled in a public school, home school, or private school who attended school for at least 80 days in the fall or spring semester preceding the date of the driver's license application; or
 - (B) who has been enrolled for at least 45 days, and is enrolled as of the date of the application, in a program to prepare persons to pass the high school equivalency exam; and
- (4) has passed the examination required by Section 521.161.

SECTION __.49. Sections 521.205(b) and (d), Transportation Code, are amended to read as follows:

(b) The department may not approve a course unless it determines that the course materials are at least equal to those required in a course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~], except that the department may not require that:

(1) the classroom instruction be provided in a room with particular characteristics or equipment; or

(2) the vehicle used for the behind-the-wheel instruction have equipment other than the equipment otherwise required by law for operation of the vehicle on a highway while the vehicle is not being used for driver training.

(d) Completion of a driver education course approved under this section has the same effect under this chapter as completion of a driver education course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~].

SECTION __.50. Subsections 521.222(a) and (c), Transportation Code, are amended to read as follows:

Sec. 521.222. INSTRUCTION PERMIT. (a) The department or a driver education school licensed under Chapter 1001, Education Code, [~~the Texas Driver and Traffic Safety Education Act (Article 4413(29e), Vernon's Texas Civil Statutes)~~] may issue an instruction permit, including a Class A or Class B driver's license instruction permit, to a person who:

(1) is 15 years of age or older but under 18 years of age;

(2) has satisfactorily completed and passed the classroom phase of an approved driver education course, which may be a course approved under Section 521.205;

(3) meets the requirements imposed under Section 521.204(3); and

(4) has passed each examination required under Section 521.161 other than the driving test.

(c) A driver education school may issue an instruction permit to a person 18 years of age or older who has successfully passed:

(1) a six-hour adult classroom driver education course approved by the Texas Department of Licensing and Regulation [~~Education Agency~~]; and

(2) each part of the driver's examination required by Section 521.161 other than the driving test.

SECTION __.51. Sections 1001.001(1), 1001.053(b) and (c), 1001.054(a) and (b), 1001.152, 1001.303, 1001.304, 1001.454, 1001.455, 1001.457, 1001.458, 1001.459, 1001.460, 1001.461, 1001.551, 1001.552, and 1001.553, Education Code, and Subchapter B, Chapter 543, Transportation Code, are repealed.

SECTION __.52. (a) As soon as practicable after the effective date of this Act, the Texas Education Agency and the Texas Department of Licensing and Regulation shall develop a transition plan for transferring the functions performed by the Texas Education Agency under Chapter 1001, Education Code, to the Texas Department of Licensing and Regulation. The transition plan must include a timetable with specific steps and deadlines needed to complete the transfer.

(b) In accordance with the transition plan developed by the Texas Education Agency and the Texas Department of Licensing and Regulation under Subsection (a) of this section, on January 1, 2006:

(1) all functions and activities relating to Chapter 1001, Education Code, performed by the Texas Education Agency immediately before that date are transferred to the Texas Department of Licensing and Regulation;

(2) a rule or form adopted by the commissioner of education that relates to Chapter 1001, Education Code, is a rule or form of the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable, and remains in effect until amended or replaced by that commission or department;

(3) a reference in law to or an administrative rule of the Texas Education Agency that relates to Chapter 1001, Education Code, means the Texas Commission of Licensing and Regulation or the Texas Department of Licensing and Regulation, as applicable;

(4) a complaint, investigation, or other proceeding before the Texas Education Agency that is related to Chapter 1001, Education Code, is transferred without change in status to the Texas Department of Licensing and Regulation, and the Texas Department of Licensing and Regulation assumes, as appropriate and without a change in status, the position of the Texas Education Agency in an action or proceeding to which the Texas Education Agency is a party;

(5) all full-time equivalent employee positions at the Texas Education Agency that primarily concern the administration of Chapter 1001, Education Code, become positions at the Texas Department of Licensing and Regulation and, when filling the positions, the Texas Department of Licensing and Regulation shall give first consideration to an applicant who, as of December 31, 2005, was a full-time employee at the Texas Education Agency primarily involved in administering Chapter 1001, Education Code;

(6) all money, contracts, leases, property, and obligations of the Texas Education Agency related to Chapter 1001, Education Code, are transferred to the Texas Department of Licensing and Regulation;

(7) all property in the custody of the Texas Education Agency related to Chapter 1001, Education Code, is transferred to the Texas Department of Licensing and Regulation; and

(8) the unexpended and unobligated balance of any money appropriated by the legislature for the Texas Education Agency related to Chapter 1001, Education Code, is transferred to the Texas Department of Licensing and Regulation.

(c) Before January 1, 2006, the Texas Education Agency may agree with the Texas Department of Licensing and Regulation to transfer any property of the Texas Education Agency to the Texas Department of Licensing and Regulation to implement the transfer required by this Act.

(d) In the period beginning with the effective date of this Act and ending on January 1, 2006, the Texas Education Agency shall continue to perform functions and activities under Chapter 1001, Education Code, as if that chapter had not been amended by this Act, and the former law is continued in effect for that purpose.

SECTION __.53. Before December 31, 2007, the department shall perform a complete review and approval of each six-hour driving safety course and alternative delivery method approved before July 1, 2005, to verify compliance with Chapter 1001, Education Code, and the rules of the department applicable to the course or method. The department shall charge each course provider and alternative method owner the fee applicable to an application for initial approval of a driving safety course, which funds are appropriated to the department to administer the requirements of this subsection. The department may revoke the approval of any course or alternative delivery method that is not in compliance with Chapter 1001, Education Code, the rules of the department under that chapter or this subsection. This subsection does not apply to a specialized driving safety course approved by the Texas Education Agency that includes four hours of instruction that encourages the use of child passenger safety seat systems and the wearing of seat belts.

SECTION __.54. The changes in law made by this article apply only to a fee charged on or after January 1, 2006. A fee charged before January 1, 2006, is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.

SECTION __.55. Except as otherwise provided by this Act, the changes in law made by this article apply only to a license issued or renewed on or after January 1, 2006. An issuance or renewal that occurs before January 1, 2006, is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.

A record vote was requested.

CSHB 2, as amended, failed to pass to engrossment by (Record 15): 62 Yeas, 79 Nays, 1 Present, not voting.

Yeas — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Casteel; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Gonzales; Gonzalez Toureilles; Griggs; Guillen; Haggerty; Hamilton; Herrero; Hilderbran; Hochberg; Hodge; Homer; Hopson; Hunter; Kuempel; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Pickett; Quintanilla; Raymond; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Uresti; Veasey; Villarreal; Vo.

Nays — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Castro; Chavez; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Eissler; Flynn; Gattis; Geren; Giddings; Goodman; Goolsby; Grusendorf; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hill; Hope; Hupp; Isett; Jackson; Jones, D.; Jones, J.; Keel; Keffer, B.; Keffer, J.; King, P.; King, T.; Kolkhorst;

Krusee; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Phillips; Pitts; Puente; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Truitt; Turner; Van Arsdale; West; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Howard; Laney; Reyna.

STATEMENTS OF VOTE

I was shown voting no on Record No. 15. I intended to vote yes.

Castro

I was shown voting no on Record No. 15. I intended to vote yes.

Chavez

I was shown voting no on Record No. 15. I intended to vote yes.

Hope

When Record No. 15 was taken, I was in the house but away from my desk. I would have voted no.

Howard

I was shown voting no on Record No. 15. I intended to vote yes.

D. Jones

When Record No. 15 was taken, I was in the house but away from my desk. I would have voted yes.

Reyna

REASONS FOR VOTE

The Hochberg amendment improved the financial portion of the bill considerably. However, over 50 amendments were accepted onto the bill without discussion and debate. Many of the amendments were in conflict with one another. It was not known what many of them did to the bill. Without the amendments being discussed and adopted one by one, it was impossible to know what the bill did with the 50 plus amendments. The children of Texas deserve better.

Giddings

Because of a previously adopted motion to adopt all filed amendments to **HB 2**, which was done by voice vote, I voted for **HB 2** because it brought substantially more money to my school districts. While I might not agree with all the amendments, **HB 2** gets to where we always intended to go by getting the proper amount of funds into the classroom that is needed and a meaningful pay raise to our teachers so that our school children have the tools they need to learn.

Homer

Because of a previously adopted motion to adopt all amendments filed for **HB 2**, which was done by voice vote, I, in turn, voted for **HB 2** because it brings more money and resources to my school districts than we initially set out, by moving more to teachers and the classroom, even though I did not agree with all the amendments.

McClendon

**MAJOR STATE CALENDAR
HOUSE BILLS
SECOND READING**

The following bills were laid before the house and read second time:

**HB 3 ON SECOND READING
(by J. Keffer)**

HB 3, A bill to be entitled An Act relating to property tax relief and protection of taxpayers, certain taxes, fees, and property, and other matters relating to the financing of public schools; providing civil and criminal penalties; making an appropriation.

(Keel in the chair)

Amendment No. 1

Representative J. Keffer offered the following amendment to **HB 3**:

Floor Packet Page No. 1

Amend **HB 3** as follows:

- (1) On page 1, line 18, strike "\$1.21" and substitute "\$1.23".
- (2) On page 2, line 5, strike "\$1.25" and substitute "\$1.27".
- (3) On page 2, line 10, strike "\$1.25" and substitute "\$1.27".
- (4) On page 2, line 12, strike "\$1.25" and substitute "\$1.27".
- (5) On page 2, line 14, strike "\$1.21" and substitute "\$1.23".
- (6) On page 2, line 15, strike "\$1.21" and substitute "\$1.23".

Amendment No. 1 was adopted.

Amendment No. 2

Representative J. Keffer offered the following amendment to **HB 3**:

Floor Packet Page No. 2

Amend **HB 3** as follows:

(1) On page 11, strike lines 14 through 18 and substitute the following:
by the district on the homestead may not exceed the amount of taxes imposed by the district for:

(1) the 2005 tax year, if the limitation took effect before the 2006 tax year, less an amount equal to the amount determined by multiplying \$7,500 times the tax rate of the district for the 2006 tax year, plus any tax for subsequent tax years or the current tax year attributable to improvements made to comply with governmental regulations or repairs; or

(2) the tax year in which the limitation took effect, if the limitation took effect in the 2006 tax year or a subsequent tax year, plus any tax for subsequent tax years or the current tax year attributable to improvements made to comply with governmental regulations or repairs.

(2) On page 11, line 23, strike "higher or".

(3) On page 11, line 27, through page 12, line 1, strike "increased or reduced, as applicable, in proportion to the increase or" and substitute "reduced in proportion to the".

Amendment No. 2 was adopted.

Amendment No. 3

Representative J. Keffer offered the following amendment to **HB 3**:

Floor Packet Page No. 3

Amend **HB 3** as follows:

(1) Strike ARTICLE 6 of the bill (page 52, line 15, through page 54, line 2), and renumber subsequent ARTICLES accordingly.

(2) Strike ARTICLE 10 of the bill (page 60, line 14, through page 62, line 9), and renumber subsequent ARTICLES accordingly.

Amendment No. 3 was adopted.

Amendment No. 4

Representative Coleman offered the following amendment to **HB 3**:

Floor Packet Page No. 4

Amend **HB 3** as follows:

(1) On page 2, lines 5, 10, and 12, strike the number "\$1.25" and insert the number "\$1.26";

(2) On page 2, lines 14 and 15, strike the number "\$1.21" and insert the number "\$1.22"; and

(3) On page 62, ARTICLE 11, insert a new section to read as follows:

"SECTION 11.02. There is appropriated to the comptroller of public accounts for each year of the biennium beginning September 1, 2005, an amount of general revenue that is equal to the levy of \$.01 of school district maintenance taxes on each \$100 valuation of taxable property for the purpose of providing down payment assistance to first-time homeowners. The Comptroller may administer the down payment assistance program or may enter into an interagency agreement with another state agency for the administration of the program. This section expires August 31, 2007."

(Speaker in the chair)

Representative J. Keffer moved to table Amendment No. 4.

A record vote was requested.

The motion to table prevailed by (Record 16): 90 Yeas, 50 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Bailey; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Edwards; Eissler; Flynn; Frost; Gattis; Geren; Goodman; Goolsby; Griggs; Grusendorf; Haggerty; Hamilton; Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Homer; Hope; Hopson; Howard; Hunter; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Peña; Phillips; Pitts; Reyna; Riddle; Ritter; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Burnam; Castro; Chavez; Coleman; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Eiland; Escobar; Farabee; Farrar; Flores; Gallego; Giddings; Gonzales; Gonzalez Tourelles; Herrero; Hochberg; Hodge; Jones, J.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Puente; Quintanilla; Raymond; Rodriguez; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Guillen; King, T.; Merritt; Pickett.

STATEMENTS OF VOTE

I was shown voting no on Record No. 16. I intended to vote yes.

Menendez

When Record No. 16 was taken, I was in the house but away from my desk. I would have voted yes.

Merritt

Amendment No. 5

Representative Eiland offered the following amendment to **HB 3**:

Floor Packet Page No. 5

Amend **HB 3**, beginning on page 4, line 3, by striking PART B, BUY-DOWN OF SCHOOL DISTRICT TAXES in its entirety.

Representative Chisum moved to table Amendment No. 5.

A record vote was requested.

The motion to table prevailed by (Record 17): 85 Yeas, 52 Nays, 1 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Cook, B.; Cook, R.; Corte; Crabb; Crownover; Davis, J.; Dawson; Delisi; Denny; Edwards; Eissler; Flynn; Gattis; Geren; Goodman; Goolsby; Griggs; Grusendorf; Haggerty;

Hamric; Hardcastle; Harper-Brown; Hartnett; Hegar; Hilderbran; Hill; Homer; Hope; Hopson; Howard; Hunter; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Kuempel; Laubenberg; Madden; McCall; McReynolds; Merritt; Miller; Morrison; Mowery; Nixon; Otto; Paxton; Phillips; Pitts; Reyna; Riddle; Rose; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Castro; Chavez; Coleman; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Eiland; Escobar; Farabee; Farrar; Frost; Gallego; Giddings; Gonzales; Gonzalez Tourelles; Guillen; Hamilton; Herrero; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; Menendez; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Pickett; Puente; Quintanilla; Raymond; Ritter; Rodriguez; Solis; Strama; Thompson; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Flores; Hochberg; Hodge; Krusee; McClendon; Orr; Turner.

Amendment No. 6

Representative Coleman offered the following amendment to **HB 3**:

Floor Packet Page No. 16

Amend **HB 3**, in Article 1 of the bill, by adding a new Part, appropriately designated, to read as follows:

PART ____. PROPERTY TAX RELIEF FOR CULTURALLY
SIGNIFICANT SITES

SECTION 1__01. Section 11.24, Tax Code, is amended to read as follows:

Sec. 11.24. HISTORIC AND CULTURALLY SIGNIFICANT SITES. The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:

(1) designated as a Recorded Texas Historic Landmark under Chapter 442, Government Code, or a state archeological landmark under Chapter 191, Natural Resources Code, by the Texas Historical Commission; or

(2) designated as a historically, culturally, or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the unit.

SECTION 1__02. The change in law made by Section 1__01 of this part applies only to a tax year that begins on or after the effective date of this Act.

SECTION 1__03. This part takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this part takes effect on the 91st day after the last day of the legislative session.

Amendment No. 6 was adopted.

Amendment No. 7

Representative Howard offered the following amendment to **HB 3**:
Floor Packet Page No. 18

Amend **HB 3** in ARTICLE 1 of the bill by adding the following PART, lettered appropriately, to read as follows:

PART ___. LIMITATION ON FREQUENCY OF REAPPRAISALS OF REAL PROPERTY

SECTION 1__01. Section 25.18, Tax Code, is amended by adding Subsections (b-1) and (b-2) to read as follows:

(b-1) The plan may not provide for reappraisal of a parcel of real property more often than once in any three-year period. Except as provided by Subsection (b-2), the appraisal office may not reappraise a parcel of real property in the district more often than once in any three-year period.

(b-2) Notwithstanding Subsection (b-1), the appraisal office may reappraise a parcel of real property in the year immediately following a year in which the parcel is sold.

SECTION 1__02. As soon as practicable after the effective date of this Act but not later than December 31, 2005, each appraisal office that has implemented a plan for periodic reappraisals of real property in the district shall amend that plan if necessary to conform to the change in law made by this Act to Section 25.18, Tax Code. For purposes of complying with Section 25.18(b-1), Tax Code, as added by this Act, the plan must provide that real property is not reappraised more often than once in the three-year period that includes the 2005, 2006, and 2007 tax years.

Amendment No. 7 - Point of Order

Representative J. Keffer raised a point of order against further consideration of Amendment No. 7 on the grounds that the amendment violates the Committee on Calendars rule adopted on July 25.

The speaker sustained the point of order.

The ruling precluded further consideration of Amendment No. 7.

Amendment No. 8

Representative Hartnett offered the following amendment to **HB 3**:
Floor Packet Page No. 51

Amend **HB 3** as follows:

(1) Add the following appropriately numbered SECTION to Part A of Article 3 of the bill and renumber subsequent SECTIONS accordingly:

SECTION 3A. ___. (a) There are exempted from the increase in the rate of the tax imposed by Chapter 151, Tax Code, that is made by this part the receipts from the sale, use, or rental and the storage, use, or consumption in this state of taxable items, if:

(1) the items are used:

(A) for the performance of a contract for the improvement of real property entered into on or before July 27, 2005, if the contract is not subject to change or modification because of the tax rate increase made by this part; or

(B) pursuant to an obligation of a bid submitted for the improvement of real property submitted on or before July 27, 2005, if the bid may not be withdrawn, modified, or changed because of the tax rate increase made by this part; and

(2) an electronic or paper copy of the contract or bid on which the exemption is claimed is given by the taxpayer to the comptroller not later than October 1, 2005.

(b) The exemption provided by this section expires September 1, 2007.

(2) Add the following appropriately numbered ARTICLE to the bill and renumber subsequent ARTICLES of the bill accordingly:

ARTICLE ___. SEXUALLY ORIENTED BUSINESS ADMISSIONS FEE

SECTION ___.01. Sections 47.001-47.004, Business & Commerce Code, as renumbered by **HB 2018**, Acts of the 79th Legislature, Regular Session, 2005, are redesignated as Subchapter A, Chapter 47, Business & Commerce Code, and a subchapter heading is added to read as follows:

SUBCHAPTER A. RESTRICTION ON OWNERS, OPERATORS,
MANAGERS, OR

EMPLOYEES OF SEXUALLY ORIENTED BUSINESSES

SECTION ___.02. Section 47.001, Business & Commerce Code, as renumbered by **HB 2018**, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

Sec. 47.001. DEFINITIONS. In this subchapter [~~chapter~~]:

(1) "Sex offender" means a person who has been convicted of or placed on deferred adjudication for an offense for which a person is subject to registration under Chapter 62, Code of Criminal Procedure.

(2) "Sexually oriented business" has the meaning assigned by Section 243.002, Local Government Code.

SECTION ___.03. Chapter 47, Business & Commerce Code, as renumbered by **HB 2018**, Acts of the 79th Legislature, Regular Session, 2005, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. FEE ON ADMISSIONS TO CERTAIN SEXUALLY
ORIENTED BUSINESSES

Sec. 47.051. DEFINITIONS. In this subchapter:

(1) "Nude" means:

(A) entirely unclothed; or

(B) clothed in a manner that leaves uncovered or visible through less than fully opaque clothing any portion of the breasts below the top of the areola of the breasts, if the person is female, or any portion of the genitals or buttocks.

(2) "Sexually oriented business" has the meaning assigned by Section 243.002, Local Government Code.

Sec. 47.052. ADMISSION FEE. (a) A fee is imposed on a sexually oriented business that provides live nude entertainment or performances in an amount equal to \$4 for each entry by each customer admitted to the business.

(b) For purposes of this section, the amount that a business charges a customer for admission includes a membership fee or a multiple-entry admission charge.

Sec. 47.053. REMISSION OF FEE TO COMPTROLLER; DEPOSIT IN GENERAL REVENUE. A sexually oriented business shall remit the fee imposed by Section 47.052 to the comptroller each quarter in the manner prescribed by the comptroller for deposit to the credit of the general revenue fund.

Sec. 47.054. ADMINISTRATION, COLLECTION, AND ENFORCEMENT. The comptroller shall adopt any necessary rules for the administration, payment, collection, and enforcement of the fee imposed by this chapter.

SECTION __.04. Subchapter B, Chapter 47, Business & Commerce Code, as added by this article, expires August 31, 2007.

SECTION __.05. The fee imposed by Section 47.052, Business & Commerce Code, as added by this article, applies only to a customer admitted to a sexually oriented business on or after the effective date of this article.

SECTION __.06. This article takes effect January 1, 2006.

Amendment No. 8 was adopted.

Amendment No. 9

Representative Talton offered the following amendment to **HB 3**:

Floor Packet Page No. 45

Amend **HB 3** on page 44, between lines 10 and 11 by inserting:

(h) This section does not apply to a vehicle disposed of under:

(1) Chapter 683, Transportation Code; or

(2) Chapter 2303, Occupations Code.

Amendment No. 9 was adopted.

(Hamric in the chair)

Amendment No. 10

Representative Hill offered the following amendment to **HB 3**:

Floor Packet Page No. 58

Amend **HB 3** by adding the following appropriately numbered SECTION:

SECTION __. Section 23.12, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) In this subsection, "drug supplies held in surplus" means drugs, as defined by the TEXAS FOOD, DRUG AND COSMETIC ACT, Section 431.002(14), Health and Safety Code, that are owned by a person who holds a wholesale drug distributor license under Chapter 431, for use in responding to public emergencies, including trauma-related incidents, and that are held for less than sixty-(60) days, but only that percentage of the owner's inventory necessary to treat victims of public emergencies by attending physicians or other emergency health care personnel. In determining the market value of drug supplies held in surplus, the chief appraiser shall exclude as economic obsolescence from the market value the value attributable to drug supplies held in surplus that exceed the amount of drugs held for normal market purposes. For rendition purposes, in calculating the number of days drug supplies held in surplus are held in an inventory, the owner shall quantify the average number of days of the owner's day-to-day working inventory (cycle stock) that the owner holds to meet normal customer demand and shall subtract that number of days from the average number of days the owner holds the owner's total drug inventory. When the owner renders the owner's total drug inventory, the owner shall include information sufficient to establish the validity of the owner's calculations under this subsection. Notwithstanding any other provision of this subsection, the percentage of an owner's drug supplies held in surplus inventory may not exceed three-(3) days of the owner's total inventory of drugs as defined by the TEXAS FOOD, DRUG and COSMETIC ACT, Section 431.002(14), Health and Safety Code

Amendment No. 10 was withdrawn.

(Speaker in the chair)

Amendment No. 11

Representative Villarreal offered the following amendment to **HB 3**:

Floor Packet Page No. 27

Amend **HB 3** (house committee report) as follows:

(1) On page 20, strike lines 19-25 and substitute:

(c) A corporation shall include in its gross receipts computed under Subsection (a) the corporation's share of the gross receipts of each partnership in which the corporation, as a general or limited partner, directly or indirectly owns an interest and each joint venture of which the corporation is a part apportioned to this state as though the corporation directly earned the receipts~~[, including receipts from business done with the corporation]~~. A corporation that owns an

(2) On page 21, strike lines 8-12 and substitute:

(d) A corporation shall include in its gross receipts computed under Subsection (a) the corporation's share of the gross receipts of each partnership in which the corporation, as a general or limited partner, directly or indirectly owns an interest and each joint venture of which the corporation is a part. A corporation that owns an interest in an

Amendment No. 11 was adopted.

Amendment No. 12

On behalf of Representative Hopson, Representative Dunnam offered the following amendment to **HB 3**:

Floor Packet Page No. 8

Amend **HB 3** as follows:

(1) On page 9, line 11, strike "\$22,500" and substitute "\$45,000".

(2) On page 9, line 12, strike "\$17,500" and substitute "\$30,000".

(3) On page 10, line 22, strike "\$7,500" and substitute "\$30,000".

(4) On page 12, line 2, strike "\$7,500" and substitute "\$30,000".

(5) On page 14, line 2, strike "\$22,500" and substitute "\$45,000".

(6) On page 14, between lines 18 and 19, insert the following appropriately numbered section and renumber subsequent sections accordingly:

SECTION 1D. Section 26.08, Tax Code, is amended by adding Subsections (n) - (p) to read as follows:

(n) For purposes of Subsection (o), each chief appraiser shall certify to the assessor for each school district participating in the appraisal district:

(1) a final value for the school district as computed using a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, in the amount of \$15,000; and

(2) a final value for the school district as computed:

(A) using a residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, in the amount of \$45,000; and

(B) taking into account the effect of the reduction in the limitation on tax increases under Section 1-b(d), Article VIII, Texas Constitution, made in connection with the increase in the residence homestead exemption to the amount described by Paragraph (A).

(o) Notwithstanding any other provision of this section to the contrary, for the 2006 tax year the governing body of a school district shall adopt a maintenance and operations tax rate that, when applied to the district's taxable value of property certified under Subsection (n)(2), yields an amount equal to the amount that would be raised at a tax rate adopted in compliance with the provisions of this section other than this subsection when applied to the district's taxable value of property certified under Subsection (n)(1). For the 2006 tax year, the rollback tax rate of the district calculated under Subsection (i) or (k) is increased by the additional rate required to yield the amount required by this subsection.

(p) A maintenance and operations tax rate limitation imposed by Section 45.003, Education Code, does not apply to a tax rate adopted by the governing body of a school district in compliance with this section for the 2006 tax year or for a subsequent tax year.

Amendment No. 13

On behalf of Representative Hopson, Representative Dunnam offered the following amendment to Amendment No. 12:

Amend Floor Amendment No. 12 by Hopson to **HB 3** as follows:

- (1) On page 1, line 3, strike "\$45,000" and substitute "\$32,500".
- (2) On page 1, line 5, strike "\$30,000" and substitute "\$17,500".
- (3) On page 1, line 7, strike "\$30,000" and substitute "\$17,500".
- (4) On page 1, line 9, strike "\$30,000" and substitute "\$17,500".
- (5) On page 1, line 11, strike "\$45,000" and substitute "\$32,500".
- (6) On page 1, line 26, strike "\$45,000" and substitute "\$32,500".

Amendment No. 13 was adopted.

Representative Chisum moved to table Amendment No. 12.

A record vote was requested.

The motion to table prevailed by (Record 18): 74 Yeas, 68 Nays, 2 Present, not voting.

Yeas — Allen, R.; Anderson; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Callegari; Campbell; Casteel; Chisum; Cook, B.; Corte; Crabb; Crownover; Davis, J.; Delisi; Denny; Eissler; Flynn; Gattis; Geren; Goolsby; Griggs; Grusendorf; Hamric; Hardcastle; Hartnett; Hegar; Hilderbran; Hill; Hope; Howard; Hupp; Isett; Jackson; Jones, D.; Keel; Keffer, B.; Keffer, J.; King, P.; Kolkhorst; Krusee; Kuempel; Laubenberg; Madden; McCall; Merritt; Miller; Morrison; Mowery; Nixon; Orr; Otto; Paxton; Pitts; Riddle; Seaman; Smith, T.; Smith, W.; Smithee; Solomons; Straus; Swinford; Talton; Truitt; Van Arsdale; West; Wong; Woolley; Zedler.

Nays — Allen, A.; Alonzo; Anchia; Bailey; Burnam; Castro; Chavez; Coleman; Cook, R.; Davis, Y.; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Escobar; Farabee; Farrar; Flores; Frost; Gallego; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Guillen; Haggerty; Hamilton; Herrero; Hochberg; Hodge; Homer; Hopson; Hunter; Jones, J.; King, T.; Laney; Leibowitz; Luna; Martinez; Martinez Fischer; McClendon; McReynolds; Menendez; Moreno, P.; Naishtat; Noriega, M.; Oliveira; Olivo; Peña; Phillips; Pickett; Puente; Quintanilla; Raymond; Reyna; Ritter; Rodriguez; Rose; Solis; Strama; Thompson; Turner; Uresti; Veasey; Villarreal; Vo.

Present, not voting — Mr. Speaker(C); Dawson.

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Harper-Brown.

A record vote was requested.

HB 3, as amended, failed to pass to engrossment by (Record 19): 8 Yeas, 124 Nays, 7 Present, not voting.

Yeas — Anderson; Crabb; Jackson; Keffer, B.; King, P.; Laubenberg; Miller; Morrison.

Nays — Allen, A.; Allen, R.; Alonzo; Anchia; Bailey; Baxter; Berman; Blake; Bohac; Bonnen; Branch; Brown, B.; Brown, F.; Burnam; Callegari; Campbell; Casteel; Castro; Chavez; Coleman; Cook, B.; Cook, R.; Corte; Crownover; Davis, J.; Davis, Y.; Dawson; Delisi; Denny; Deshotel; Dukes; Dunnam; Dutton; Edwards; Eiland; Eissler; Escobar; Farabee; Farrar; Flores;

Flynn; Frost; Gallego; Gattis; Geren; Giddings; Gonzales; Gonzalez Toureilles; Goodman; Griggs; Guillen; Haggerty; Hamilton; Hamric; Hardcastle; Herrero; Hilderbran; Hill; Hochberg; Hodge; Homer; Hope; Hopson; Howard; Hunter; Isett; Jones, D.; Jones, J.; Keel; Keffer, J.; King, T.; Kolkhorst; Kuempel; Laney; Leibowitz; Madden; Martinez; Martinez Fischer; McCall; McClendon; McReynolds; Menendez; Merritt; Moreno, P.; Mowery; Naishtat; Nixon; Noriega, M.; Oliveira; Olivo; Orr; Otto; Peña; Pickett; Pitts; Puente; Quintanilla; Raymond; Reyna; Riddle; Ritter; Rodriguez; Rose; Seaman; Smith, T.; Smith, W.; Solis; Solomons; Strama; Straus; Swinford; Talton; Thompson; Truitt; Turner; Uresti; Van Arsdale; Veasey; Villarreal; Vo; West; Wong; Woolley; Zedler.

Present, not voting — Mr. Speaker(C); Grusendorf; Hartnett; Krusee; Luna; Paxton; Phillips.

Absent, Excused — Driver; Elkins; Hughes; Taylor.

Absent — Chisum; Goolsby; Harper-Brown; Hegar; Hupp; Smithee.

STATEMENTS OF VOTE

I was shown voting no on Record No. 19. I intended to vote yes.

Bonnen

I was shown voting no on Record No. 19. I intended to vote yes.

Callegari

When Record No. 19 was taken, I was in the house but away from my desk. I would have voted no.

Goolsby

When Record No. 19 was taken, I was in the house but away from my desk. I would have voted yes.

Harper-Brown

When Record No. 19 was taken, my vote failed to register. I would have voted no.

Hegar

When Record No. 19 was taken, my vote failed to register. I would have voted yes.

Smithee

I was shown voting no on Record No. 19. I intended to vote yes.

Zedler

**CONSTITUTIONAL AMENDMENTS CALENDAR
HOUSE JOINT RESOLUTIONS
SECOND READING**

HJR 12 was withdrawn.

ADJOURNMENT

Representative J. Davis moved that the house adjourn until 12 p.m. Thursday, July 28 in memory of Shawn McIntosh of Clear Lake.

The motion prevailed.

The house accordingly, at 5:50 p.m., adjourned until 12 p.m. Thursday, July 28.

ADDENDUM

REFERRED TO COMMITTEES

The following bills and joint resolutions were today laid before the house, read first time, and referred to committees, and the following resolutions were today laid before the house and referred to committees. If indicated, the chair today corrected the referral of the following measures:

List No. 1

HB 28 (By Hope), Relating to providing a five percent limit on real property appraisal increases for ad valorem tax purposes.

To Property Tax Relief, Select.

HB 29 (By Bohac, Leibowitz, Kolkhorst, et al.), Relating to limiting the maximum average annual increase in the appraised value of residence homesteads for ad valorem taxation by a school district to five percent.

To Property Tax Relief, Select.

HB 30 (By Raymond), Relating to bullying as a ground for removing a public school student from class and placing the student in a disciplinary alternative education program.

To Public Education Reform, Select.

HB 31 (By Hochberg and Raymond), Relating to public education and public school finance matters.

To Public Education Reform, Select.

HB 32 (By Coleman), Relating to authorizing the issuance of revenue bonds for the University of Houston.

To Higher Education.

HB 33 (By Coleman), Relating to authorizing the issuance of revenue bonds for the University of Houston–Downtown.

To Higher Education.

HB 34 (By Coleman), Relating to authorizing the issuance of revenue bonds for Texas Southern University.

To Higher Education.

HB 35 (By Morrison), Relating to the sale of facilities of public institutions of higher education to real estate investment trusts.

To Higher Education.

HB 36 (By Eiland and Seaman), Relating to the operation and funding of the Texas Windstorm Insurance Association, including funding of coverage for certain catastrophic events through the establishment of a revenue bond program.

To Insurance.

HB 37 (By Goolsby), Relating to the compensation and duties of Texas Lottery Commission members.

To State Affairs.

HCR 11 (By Raymond), Memorializing the United States Congress not to privatize the social security program.

To State Affairs.

HJR 19 (By Hope), Proposing a constitutional amendment authorizing the legislature to limit the maximum average annual increase in the appraised value of real property for ad valorem tax purposes to five percent or more.

To Property Tax Relief, Select.

HJR 20 (By Bohac, Leibowitz, Kolkhorst, et al.), Proposing a constitutional amendment authorizing the legislature to limit the maximum average annual increase in the appraised value of residence homesteads for purposes of ad valorem taxation by a school district to five percent or more.

To Property Tax Relief, Select.

HJR 27 (By Raymond), Proposing a constitutional amendment prohibiting the authorization or funding of an elementary or secondary education voucher program.

To Public Education Reform, Select.

HR 17 (By Raymond), Amending the Housekeeping Resolution to provide for display of the motto "In God We Trust" in the House chamber.

To House Administration.

APPENDIX

STANDING COMMITTEE REPORTS

Favorable reports have been filed by committees as follows:

July 25

Public Health - **HB 18**

ENGROSSED

July 25 - HB 6, HB 11